SKETCHY ETHICAL CONFLICTS:

Paul Atkins' SEC is riddled with corporate insiders and apparent conflicts of interest

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Introduction

The Securities and Exchange Commission (SEC) was formed in 1934 to help identify and prevent the sorts of conflicts of interest by financial institutions that contributed to the disastrous 1929 stock market crash that wiped out millions of Americans' life savings and began the Great Depression.[1] As Investopedia noted, "Before the 1930s reforms that created the SEC, insider trading, secrecy about material facts for publicly traded companies, boiler rooms, wash trades, and conflicts of interest were not just legal but pervasive."[2] Reforms in the 1930s looked at policing the securities market and investment advisers with the creation of the SEC.

Today, ethical barriers that have long existed to prevent conflicts of interest from emerging for SEC leadership and staff have evaporated. Under Trump-appointed SEC Chair Paul Atkins, the federal agency created to protect investors from corporate and investment misconduct and ***promote fairness and efficiency*** in the securities markets is led by people who either directly oversee industries where they previously worked or by corporate attorneys who defended the very individuals and companies whom the SEC is responsible for investigating and holding accountable for breaking the law. In turn we've seen the Atkins SEC run away from enforcement cases against corporate wrongdoers,[3] retreat from regulating Wall Street, and move to roll back anti-pay-to-play rules[4] and the rights of shareholders to propose and vote on reform proposals.[5]

This report spotlights a dozen high-level Atkins SEC officials with apparent or potential conflicts of interest that corrode public trust, undermine accountability and enforcement, and broadly undercut the Atkins SEC's ability to protect the financial interests of the millions of Americans whose retirement funds and life savings depend on a fair securities marketplace free of conflicts, self-dealing, favoritism, and corruption.

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[1] "Securities and Exchange Commission," THE AMERICAN LEADER, https://theamericanleader.org/timeline-event/securities-and-exchange-commission/

[2] Peter Gratton, "Understanding the SEC," INVESTOPEDIA (Updated July 12, 2024), https://www.investopedia.com/articles/investing/112914/understanding-sec.asp#citation-30

[3] "Warren Statement on New Independent Report on SEC Enforcement Collapse," October 22, 2026, https://www.banking.senate.gov/newsroom/minority/warren-statement-on-new-independent-report-on-sec-enforcement-collapse

[4] "Proposed Rule: Political Contributions by Certain Investment Advisers," SECURITIES AND EXCHANGE COMMISSION (SEC) (September 3, 2026), https://www.sec.gov/rules-regulations/2026/09/s7-2026-31

[5] SEC Proposes Rescission of Shareholder Proposal Rule and Reforms to Proxy Solicitation Process, https://www.sec.gov/newsroom/press-releases/2026-89-sec-proposes-rescission-shareholder-proposal-rule-reforms-proxy-solicitation-process

Key Findings

- SEC enforcement actions against several of SEC Chairman Paul Atkins' previous clients were dropped soon after he came to the SEC;[6]
- Several of Atkins' former clients also received various waivers once he joined the SEC;[7]
- The SEC's Enforcement Division is now being run by a former criminal defense attorney who focused on defending those accused of violating SEC rules and federal laws;[8]
- Other senior staff in the SEC's Enforcement Division are also former criminal defense attorneys who defended those who were alleged to have violated SEC rules;[9]
- The SEC's new Crypto Task Force has at least two officials with close ties to the crypto industry, including a former crypto industry lobbyist;[10]
- The SEC's General Counsel appears to have maintained a relationship with his previous employer after he joined the federal government for at least nearly a full year after he disclosed that he had severed ties with his former company;[11]
- Several senior SEC officials have not disclosed their former clients due to confidentiality agreements — two of these individuals each declined to disclose 22 separate former clients, dramatically hampering the public's ability to understand their potential conflicts;[12]
- The SEC's new inspector general, who is supposed to police wrongdoing among SEC staff, was a recent criminal defense attorney defending multiple clients against SEC enforcement actions, and separate issues arose when he was hired on "secondment" from his law firm as the acting inspector general at the Washington

[6] See section A1 below, "John M. Fife & Chicago Venture Partners, L.P."
[7] See section A3 below, "Virtu Americas LLC."
[8] See section C1 below, "David Woodcock, Director, Division of Enforcement, SEC."
[9] See sections C2, "Osman Nawaz, Deputy Director, Division of Enforcement, SEC;" section C3, "Paul Tzur, Deputy Director, Division of Enforcement, SEC;" and section C4. "David Morrel, Deputy Director, Division of Enforcement, SEC," below.
[10] See section B1, "Taylor Lindman, Chief Counsel, SEC Crypto Task Force," and section B2, "Landon Zinda, Senior Advisor to SEC Crypto Task Force and Counsel to SEC Chairman," below.
[11] See section E1 below, "J. Russell McGranahan, General Counsel, SEC."
[12] See section F1, "Erik Hotmire, Chief External Affairs Officer and Director, Office of Public Affairs, SEC," and section G1, "Keven Muhlendorf, Inspector General (IG), SEC," below.

Metropolitan Area Transit Authority (WMATA), while the firm had a reported $2 million contract with the agency, creating a potential conflict of interest.[13]

BACKGROUND

A. Abandoning Ethics Pledges and Pay to Play Rules

On Jan. 20, 2025, on his first day in office, in his second term, Donald Trump rescinded an "ethics pledge" mandated by the Biden administration (Executive Order 13989[14]), and highly praised by ethics experts, which barred federal employees from participating in matters involving former employers or clients for a period of two years,[15] by issuing Executive Order 14148.[16] As regards the SEC, Trump's action meant that it was much easier for people with conflicts to come into the agency and work on matters related to their former employers more quickly. Conflict of interest laws are still on the books, but they have been significantly weakened by the Trump administration's actions. Current federal ethics guidelines prohibit SEC officials from participating in matters affecting their former employers or clients for a period of just one year.[17]

The SEC, under the leadership of Chairman Paul Atkins, is also proposing to dismantle other regulations intended to fight improper influence at the agency. On Sept. 3, 2026, the SEC proposed rescinding SEC Rule 206(4)-5 under "the Investment Advisers Act of 1940, which prohibits investment advisers from providing advisory services for compensation to a government client for two years after a contribution to certain elected officials or candidates."[18] The existing rule has been known as the "pay-to-play" rule, has been on the books since 2010, and has been used to help prevent undue political influence. Strikingly, the SEC's own economic analysis of the proposed rescission of the rule found: "Rescinding the political contribution rule may increase the risk of pay-to-play practices by investment

[13] See section G1 below, "Keven Muhlendorf, Inspector General (IG), SEC."
[14] "Executive Order 13989 of January 20, 2021, Ethics Commitments by Executive Branch Personnel," FEDERAL REGISTER, Vol. 86, No. 14 (January 25, 2021), (Signed by President Joe Biden), https://www.govinfo.gov/content/pkg/FR-2021-01-25/pdf/2021-01762.pdf
[15] "Ethics Pledges and Other Executive Branch Appointee Restrictions Since 1993: Historical Perspective, Current Practices, and Options for Change," CONGRESSIONAL RESEARCH SERVICE (CRS) (Updated April 28, 2025), https://www.congress.gov/crs_external_products/R/PDF/R44974/R44974.8.pdf
[16] "Executive Order 14148 of January 20, 2025, Initial Rescissions of Harmful Executive Orders and Actions," FEDERAL REGISTER, Vol. 90, No. 17 (January 28, 2025), (Signed by President Donald Trump), https://www.govinfo.gov/content/pkg/FR-2025-01-28/pdf/2025-01901.pdf
[17] "Conflicts of Interest Considerations: Common Employment Interests," OFFICE OF GOVERNMENT ETHICS (OGE) (Last updated August 2024), https://www.oge.gov/web/OGE.nsf/0/5CC7761B046AC3A9852585B6005A1F8D/$FILE/Employment%20(Common%20Interests).pdf
[18] "Proposed Rule: Political Contributions by Certain Investment Advisers," SECURITIES AND EXCHANGE COMMISSION (SEC) (September 3, 2026), https://www.sec.gov/rules-regulations/2026/09/s7-2026-31

advisers. While we believe that this risk can be mitigated, as discussed in detail below, any pay-to-play activity that does occur comes with significant costs."[19]

ANALYSIS

B. Apparent and Potential Conflicts Involving SEC Chair Paul Atkins

Ethical –- and unethical – conduct often flows downhill from the top of an agency to its staff. Unfortunately, SEC Chairman Paul Atkins appears to have multiple issues that raise concerns. Since taking over as chair at the SEC in April 2025, there have been several cases that have involved Atkins' former clients when he led Patomak Global Partners LLC, a firm he founded in 2009, shortly after serving as an SEC commissioner from 2002 to 2008, during the George W. Bush administration.[20]

While Atkins was leading the company he founded, Patomak Global Partners LLC, the company provided expert testimony for JPMorgan Chase & Co. and counted many other companies that are regulated by the SEC as its clients, including Bank of America, Barclays Bank, Deutsche Bank AG, ExxonMobil, Fidelity Investments, Goldman Sachs & Co. and Guggenheim Securities LLC, among others creating a web of apparent and potential conflicts when Atkins moved back to the SEC as chair.

1. John M. Fife and Chicago Venture Partners, L.P.

On Sept. 3, 2020, the SEC filed a lawsuit against John M. Fife[21] and five of the companies he owned, including Chicago Venture Partners L.P. in U.S. District Court in Illinois alleging that Fife and his companies had bought and sold more than 21 billion shares of penny stocks generating more than $61 million in net profits over a four-year period from 2015 to 2019 although Fife and his companies were operating as unregistered securities dealers.[22]

This was not Fife's first run-in with the SEC. The SEC described Fife as "a recidivist violator of the federal securities laws."[23] In 2007, the SEC charged Fife and a separate entity he controlled, Clarion Management LLC, with fraud regarding the purchase and sale of variable annuity contracts in what the SEC described as a "market timing" "fraudulent

[19] "Political Contributions by Certain Investment Advisers," Proposed Rule, Release No. IA-6994, Economic Analysis, pp. 63-64, SECURITIES AND EXCHANGE COMMISSION (SEC) (September 3, 2026), https://www.sec.gov/files/rules/proposed/2026/ia-6994.pdf
[20] Paul S. Atkins, Securities and Exchange Commission (SEC) Chairman, Official Biography, SECURITIES AND EXCHANGE COMMISSION (SEC), https://www.sec.gov/about/sec-commissioners/paul-s-atkins
[21] "About John M. Fife." Managing Partner of Chicago Venture Partners, https://www.johnfife.com/
[22] "Complaint," U.S. Securities and Exchange Commission vs. John M. Fife, Chicago Venture Partners, L.P., Iliad Research and Trading, L.P., St. George Investments LLC, Tonaquint, Inc. and Typenex Co-Investment, LLC, UNITED STATES DISTRICT COURT, NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION (September 3, 2020), https://www.sec.gov/enforcement-litigation/litigation-releases/lr-24886
[23] Ibid.

scheme" where "Fife and Clarion Management made hundreds of thousands of dollars in profits for themselves at the expense of the other shareholders in the mutual funds."[24] The case was settled without Fife or his company admitting or denying the SEC allegations, but Fife consented to enter into an SEC order that barred him from associating with any investment adviser for at least 18 months.[25]

In 2012 the Financial Industry Regulatory Authority (FINRA), a self-regulatory organization that regulates broker-dealers, barred Fife and his wife, Pauline Fife, from associating with any FINRA member firm due to their failure to provide requested testimony to FINRA investigators regarding another company, Gordon & Co.[26]

Individuals Suspended for Failure to Provide Information or Keep Information Current Pursuant to FINRA Rule 9552(d)

(The date the suspension began is listed after the entry. If the suspension has been lifted, the date follows the suspension date.)

John Millar Fife (CRD #2895184)
Chicago, Illinois
(January 27, 2012)
FINRA Case #2011029203701

Pauline Neil Fife (CRD #5984779)
Chicago, Illinois
(January 27, 2012)
FINRA Case #2011029203701

In the 2020 SEC case, Paul Atkins, the current SEC chairman, who was nominated to that position by President Trump in January 2025, provided expert witness services for John M. Fife and five of his companies, including Chicago Venture Partners L.P. [27]

[24] "SEC v. John M. Fife and Clarion Management, LLC," Civil Action No. 07-CV-347 (N.D. Ill.), Litigation Release No. 20250, SECURITIES AND EXCHANGE COMMISSION (SEC) (August 21, 2007), https://www.sec.gov/enforcement-litigation/litigation-releases/lr-20250
[25] Ibid.
[26] "Disciplinary and Other FINRA Actions," Financial Industry Regulatory Authority (FINRA) (March 2012), https://www.finra.org/sites/default/files/DisciplinaryAction/p125816.pdf
[27] Paul S. Atkins, Financial Disclosure Form, OFFICE OF GOVERNMENT ETHICS (OGE) (obtained via PROPUBLICA), https://projects.propublica.org/trump-team-financial-disclosures/appointees/atkins-paul/

Atkins was sworn in as chair of the SEC on April 21, 2025.[28] Less than 60 days later, on June 18, 2025, the SEC voluntarily dismissed the case[29] against Fife and his companies based "on its judgment that the dismissals are appropriate as a **policy matter**, not on any assessment of the merits of the claims alleged," the SEC wrote in a press release.[30] (Emphasis added.) Atkins' role in the dismissal, if any, is not known. However, it is clear that the case was dropped based on a new policy position under SEC Chair Atkins. In addition, if nothing else, the timing of Atkins' move to the SEC and the dismissal of a case against several of his former clients raises questions about the SEC's decision to dismiss this case.

Two weeks before the SEC dismissed the Fife case, Bloomberg Law ran a headline that read, "SEC's Dismissals of Dealer Suits Open Door to More 'Toxic' Loans."[31] On May 22, 2025, Caroline Crenshaw, an SEC Democratic commissioner at the time, issued a lengthy statement about the dismissal of several dealer lawsuits roughly four weeks before the dismissal of the Fife case, when the SEC dismissed four separate cases regarding unregistered dealers.[32] On June 18, 2025, the SEC dismissed an additional three cases against unregistered dealers, including John M. Fife, Chicago Venture Partners, and Fife's other companies.[33]

Crenshaw's comments predated the Fife dismissal, but the issues she raised also applied to the subsequent dismissal of the Fife case by the SEC. "First came the abandonment of crypto lawsuits," wrote Crenshaw.[34] "Now the dismissals of 'dealer' lawsuits. What do these unprecedented dismissals of ongoing enforcement actions have in common? They ignore the laws enacted by Congress…. [a]nd they harm investors, businesses, and the

[28] "Paul S. Atkins Sworn In as SEC Chairman," Press Release, SECURITIES AND EXCHANGE COMMISSION (SEC) (April 21, 2025), https://www.sec.gov/newsroom/press-releases/2025-68
[29] "Stipulation to Dismiss and Release," Securities and Exchange Commission vs. John M. Fife, Chicago Venture Partners, L.P. Iliad Research and Trading, L.P., St. George Investments LLC, Tonaquint, Inc., and Typenex Co-Investment, LLC, Civil Action No. 1:20-cv-05227, UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION (June 18, 2025), https://www.sec.gov/files/litigation/litreleases/2025/stip26330-fife.pdf
[30] "John M. Fife, et al.; Auctus Fund Management, LLC, et al.; Curt Kramer, et al.," Litigation Release No. 26330, U.S. SECURITIES AND EXCHANGE COMMISSION (SEC) (June 18, 2025), https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26330
[31] Ben Miller, "SEC's Dismissals of Dealer Suits Open Door to More 'Toxic' Loans," BLOOMBERG LAW (June 3, 2025), https://news.bloomberglaw.com/us-law-week/secs-dismissals-of-dealer-suits-open-door-to-more-toxic-loans
[32] SEC Commissioner Caroline A. Crenshaw, "'Tis the Season for Dismissals: Statement on Ending "Dealer" Lawsuits," SECURITIES AND EXCHANGE COMMISSION (May 22, 2025), https://www.sec.gov/newsroom/speeches-statements/crenshaw-statement-dealer-lawsuits-052225
[33] John M. Fife, et al.; Auctus Fund Management, LLC, et al.; Curt Kramer, et al.," Litigation Release No. 26330, U.S. SECURITIES AND EXCHANGE COMMISSION (June 18, 2025), https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26330
[34] SEC Commissioner Caroline A. Crenshaw, "'Tis the Season for Dismissals: Statement on Ending "Dealer" Lawsuits," SECURITIES AND EXCHANGE COMMISSION (May 22, 2025), https://www.sec.gov/newsroom/speeches-statements/crenshaw-statement-dealer-lawsuits-052225

capital markets," wrote Crenshaw. "It is astonishing that an agency tasked with enforcing the law has decided the law does not matter."[35]

In regard to the Fife case, it does not only highlight the new anti-regulatory path of the SEC; it also highlights the swirling possible conflicts of interest that surround Paul Atkins in his position as chair of the SEC and his former clients.

2. *Devon Archer*

There have been other cases that present clear apparent and potential conflicts for SEC Chair Atkins.

In May 2016, the SEC filed a lawsuit against Devon Archer and six other individuals alleging they attempted to defraud a Native American tribe out of approximately $60 million.[36] In 2018, Paul Atkins was hired as an expert witness by Devon Archer's attorneys and paid $1,450 an hour, according to The New York Times, as Archer's attorneys attempted to undermine the SEC's accusations.[37] Archer had been a business partner of Hunter Biden, who was not involved in this case.[38] In February 2022, Archer was sentenced to one year and one day in prison, one year of supervised release, ordered to forfeit more than $15 million and to make restitution in the amount of $43.4 million for his role in this criminal case.[39] However, on March 26, 2025, using his executive power President Trump pardoned Devon Archer.[40] Archer never served time in prison and his financial penalties were wiped clean as a result of the pardon.[41]

On Sept. 18, 2025, the SEC also dismissed its civil enforcement action against Archer.[42] The New York Times reported that Atkins had recused himself from the decision about

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[35] "'Tis the Season for Dismissals: Statement on Ending "Dealer" Lawsuits," Statement of Commissioner Caroline A. Crenshaw, U.S. SECURITIES AND EXCHANGE COMMISSION (SEC) (May 22, 2025), https://www.sec.gov/newsroom/speeches-statements/crenshaw-statement-dealer-lawsuits-052225

[36] Complaint, Securities and Exchange Commission v. Devon Archer, et. al., Civil Action No. 16-cv-3505 (Southern District of New York) Litigation Release No. 23535, U.S. SECURITIES AND EXCHANGE COMMISSION (May 11, 2016), https://www.sec.gov/enforcement-litigation/litigation-releases/lr-23535

[37] Kenneth P. Vogel, "The S.E.C. Dropped a Complaint Against Its Chairman's Former Client," NEW YORK TIMES (Sept. 24, 2025), https://www.nytimes.com/2025/09/24/us/politics/sec-paul-atkins-devon-archer-trump.html

[38] Levi Rickert, "Trump Pardons Felon Who Defrauded Oglala Sioux Tribe Enterprise Out of $60 Million," NATIVE NEWS ONLINE (March 27, 2025), https://nativenewsonline.net/currents/trump-pardons-felon-who-defrauded-oglala-sioux-tribe-enterprise-out-of-60-million-2/

[39] "Devon Archer Sentenced To A Year And A Day In Prison For The Fraudulent Issuance And Sale Of More Than $60 Million Of Tribal Bonds," U.S. Attorney's Office, Southern District of New York, U.S. DEPARTMENT OF JUSTICE (DOJ) (February 28, 2022), https://www.justice.gov/usao-sdny/pr/devon-archer-sentenced-year-and-day-prison-fraudulent-issuance-and-sale-more-60-million

[40] "Executive Grant of Clemency for Devon Archer," THE WHITE HOUSE (March 26, 2026), https://www.whitehouse.gov/presidential-actions/2025/03/executive-grant-of-clemency-for-devon-archer/

[41] Ibid.

[42] "SEC Announces Dismissal of Civil Enforcement Action Against Devon D. Archer," Litigation Release No. 26404, Securities and Exchange Commission v. Devon D. Archer, et al., No. 1:16-cv-03505 (S.D.N.Y. filed May 11, 2016) U.S. SECURITIES AND EXCHANGE COMMISSION (September 18, 2025), https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26404

the dismissal of the case.[43] However, the SEC chair's close business and financial ties to a large assortment of companies that fall under SEC regulatory oversight, and particularly those that have been charged by the SEC with violating federal securities laws, create perceived conflicts even in the cases where Atkins has reportedly recused himself.

3. Virtu Americas LLC

According to Atkins' financial disclosure form,[44] he also provided expert witness services to Virtu Americas LLC when the company was sued by the SEC in September 2023 for making false and misleading statements and for the "misuse of material nonpublic information."[45] In that case, Virtu Americas LLC and its parent company, Virtu Financial Inc., were ordered to pay a civil penalty to the SEC of $2.5 million on Dec. 2, 2025, without admitting or denying the allegations.[46]

On the same day, however, eight months after Atkins had been sworn in as the SEC chair, the SEC granted Virtu Americas LLC a waiver of the "bad actor" penalties that would have normally been applied to the company as a result of the case under SEC Rule 506(d) of Regulation D.[47] That rule blocks a company from raising financial capital if the issuer or key people connected to the offering have committed felonies, securities fraud or been engaged in other related misconduct.[48]

It is unknown if Atkins was directly involved in this decision. However, his past relationship with this company and others that the SEC is supposed to be overseeing creates potential conflicts of interest and the appearance of conflicts that are hard to ignore.

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[43] Kenneth P. Vogel, "The S.E.C. Dropped a Complaint Against Its Chairman's Former Client," NEW YORK TIMES (Sept. 24, 2025), https://www.nytimes.com/2025/09/24/us/politics/sec-paul-atkins-devon-archer-trump.html
[44] Paul S. Atkins, Financial Disclosure Form, OFFICE OF GOVERNMENT ETHICS (OGE) (obtained via PROPUBLICA), https://projects.propublica.org/trump-team-financial-disclosures/appointees/atkins-paul/
[45] "Amended Complaint," Securities and Exchange Commission vs. Virtu Financial Inc. and Virtu Americas LLC, UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK, Civil Action No. 1:23-cv-8072 (January12, 2024), https://www.sec.gov/files/litigation/complaints/2023/comp-pr2023-176.pdf
[46] "Final Judgment," Securities and Exchange Commission vs. Virtu Financial Inc. and Virtu Americas LLC, UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK, Civil Action No. 1:23-cv-8072 (JGK) (December 2, 2025), https://cases.justia.com/federal/district-courts/new-york/nysdce/1:2023cv08072/606158/65/0.pdf?ts=1764770916
[47] Letter from M. Hughes Bates, Chief, Office of Enforcement Liaison, Division of Corporation Finance, Securities and Exchange Commission (SEC) to David S. Huntington, attorney at Paul, Weiss, Rifkind, Wharton & Garrison LLP, "Re: Virtu Americas LLC Request for Waiver of Disqualification Pursuant to Rule 506(d)(2)(ii) of Regulation D," (December 2, 2025), https://www.sec.gov/files/corpfin/no-action/virtu-grant-package-120225.pdf
[48] Keith Martin, "Demystifying How the New Rule 506 "Bad Actor" Disqualification Impacts Private Funds," Norton Rose Fulbright, PROJECT FINANCE NEWSWIRE, (February 26, 2014), https://www.projectfinance.law/publications/2014/february/demystifying-how-the-new-rule-506-bad-actor-disqualification-impacts-private-funds

4. *Cliffwater and Cascade*

Under the Investment Company Act of 1940, regulated funds were prohibited from entering into co-investments or joint transactions with affiliates. The rule was specifically designed to prevent conflicts of interest and insider trading, such as an investment adviser engaging in a lucrative deal with a private fund while dumping a poor deal on a public fund, for instance.[49] However, for many years, the SEC has issued "co-investment exemptive orders" that permit a regulated or public investment fund to invest in private deals side by side with its affiliated private funds.[50] The SEC expanded the use of these exemptive orders in April 2025 and again in April 2026.[51]

While these sorts of SEC exemptive orders have been fairly routine, SEC Chairman Paul Atkins' involvement with some companies that have been granted these SEC exemptions under his watch creates clear potential conflicts of interest.

From June 2021 until he took over as SEC chairman in April 2025, Atkins served as a trustee for Cliffwater Enhanced Lending Fund, where he was paid $75,000 and Cliffwater Corporate Lending Fund, where he was paid $125,000.[52] In addition, from February 2024 until April 2025, he was a trustee at Cascade Private Capital Fund where he was paid $42,724 in board service fees.[53] Atkins agreed to resign his positions at those companies when he was confirmed as SEC chair on April 21, 2025, and to recuse himself from participating "personally and substantially in any particular matter involving" those parties for a period of one year.[54]

On Aug. 11, 2026, four months after Atkins' recusal expired, those three funds each received co-investment exemptive orders from the SEC.[55] It is unclear if SEC Chairman Atkins was involved in these decisions regarding the companies he previously worked

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[49] James Chen, "What Is the Investment Company Act of 1940? Key Insights and Impacts," INVESTOPEDIA (Updated July 19, 2026), https://www.investopedia.com/terms/i/investmentcompanyact.asp

[50] Ryan Brizek, Kenneth Burdon, Jonathan Gaines, and Adam Lovell, "Co-Investment Programs: From Byzantine to Spartan," THE INVESTMENT LAWYER, VOL. 32, NO. 8, Wolters Kluwer, (August 2025), https://www.stblaw.com/docs/default-source/related-link-pdfs/the-investment-lawyer_co-investment-programs-from-byzantine-to-spartan.pdf

[51] "SEC Staff Expands Co-Investment Relief to Open-End Funds and Permits Board Committee Approval Framework," PROSKAUER (May 20, 2026), https://www.proskauer.com/alert/sec-staff-expands-co-investment-reliefs-and-permits-board-committee-approval-framework

[52] Paul S. Atkins, Financial Disclosure Form, OFFICE OF GOVERNMENT ETHICS (OGE) (obtained via PROPUBLICA), https://projects.propublica.org/trump-team-financial-disclosures/appointees/atkins-paul/.

[53] Ibid.

[54] Paul S. Atkins, Financial Disclosure Form, OFFICE OF GOVERNMENT ETHICS (OGE) (obtained via PROPUBLICA), https://projects.propublica.org/trump-team-financial-disclosures/appointees/atkins-paul/; See Paul Atkins Ethics Agreement here: https://www.documentcloud.org/documents/25971398-atkins-paul-s-finalea/

[55] "Investment Company Act of 1940, Release no. 36292. In the Matter of: Cliffwater Corporate Lending Fund, Cliffwater Enhanced Lending Fund, Cascade Private Capital Fund and Cliffwater LLC. Order Under Sections 17(d) and 57(i) of the Investment Company Act of 1940 and Rule 17d-1 Under the Act. Signed for the SEC by J. Matthew DeLesDernier, Deputy Secretary, Division of Investment Management, SECURITIES AND EXCHANGE COMMISSION (SEC) (August 11, 2026), https://www.sec.gov/files/rules/ic/2026/ic-36292.pdf

for as a trustee or not. These sorts of co-investment exemptive orders are quite common and many companies receive them. Regardless, Atkins' substantive involvement with a wide assortment of companies that fall under SEC oversight and regulation creates the appearance of potential conflicts.

Other companies that Atkins worked for have also received co-investment exemptive orders from the SEC since he took the helm as chair of the commission. On Jan. 13, 2026, DWS Investment Management Americas Inc. received an SEC co-investment exemptive order, and on May 27, 2026, Guggenheim Partners Investment Management LLC also received an SEC co-investment exemptive order. Atkins' firm, Patomak Global Partners LLC, was a consultant for both firms, according to Atkins' financial disclosure form.[56]

The litany of potential and perceived conflicts of interest regarding Paul Atkins' chairmanship at the SEC is long. On Dec. 5, 2025, the SEC consented to terminate a Global Research Analyst Settlement against 10 of the nation's largest investment firms.[57] The original settlement agreement[58] was the result of an enforcement action announced in April 2003 involving the SEC, the New York Stock Exchange, the New York state attorney general, other state regulators, the National Association of Securities Dealers (NASD), the predecessor to the Financial Industry Regulatory Authority (FINRA), and 10 of the largest U.S. investment firms regarding "allegations of undue influence of investment banking interests on securities research at brokerage firms," according to the SEC.[59]

Atkins provided consulting and expert witness services to two of the 10 listed companies, Goldman Sachs & Company LLC and J.P. Morgan.[60] The role played by SEC Chair Atkins in the Global Research Analyst Settlement decision is unknown, but the potential conflicts of interest are clear. Given his past financial ties to these and many other companies that fall under SEC regulatory authority, decisions involving these companies that may be completely legitimate still raise potential conflict of interest concerns. There are also other concerns regarding potential conflicts for the SEC chair.

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[56] Paul S. Atkins, Financial Disclosure Form, OFFICE OF GOVERNMENT ETHICS (OGE) (obtained via PROPUBLICA), https://projects.propublica.org/trump-team-financial-disclosures/appointees/atkins-paul/
[57] "Global Research Analyst Settlement," Litigation Release No. 26434, U.S. SECURITIES AND EXCHANGE COMMISSION (December 5, 2025), https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26434
[58] "SEC Fact Sheet on Global Analyst Research Settlements," SECURITIES AND EXCHANGE COMMISSION (SEC), https://www.sec.gov/news/speech/factsheet.htm
[59] "Ten of Nation's Top Investment Firms Settle Enforcement Actions Involving Conflicts of Interest Between Research and Investment Banking," SECURITIES AND EXCHANGE COMMISSION (April 28, 2003), https://www.sec.gov/newsroom/press-releases/2003-54-ten-nations-top-investment-firms-settle-enforcement-actions-involving-conflicts-interest-between
[60] Paul S. Atkins, Financial Disclosure Form, OFFICE OF GOVERNMENT ETHICS (OGE) (obtained via PROPUBLICA), https://projects.propublica.org/trump-team-financial-disclosures/appointees/atkins-paul/

5. Atkins' Crypto Conflicts

According to SEC Chair Atkins' financial disclosure report, he was a member of the board of advisers of The Digital Chamber (2020-2024), co-chairman of the Token Alliance (2017-2024), and a member of the board of advisers at Securitize (2019-2025),[61] a public financial technology company that helps turn financial assets, such as real estate, monetary funds and shares in companies, into digital tokens stored on the blockchain.[62] His ethics agreement said he resigned his position from Securitize Inc. in February 2025 and that he would divest his estimated $250,000 to $500,000 in vested call options he held in Securitize.[63]

Prior to joining the SEC, he also held assets worth between $1 million and $5 million in Off the Chain LP, a blockchain and AI company, and between $250,000 and $500,000 in Anchor Labs Inc., a digital asset custodial service.[64] In addition, his company, Patomak Global Partners, provided consulting services to FalconX Holdings Limited, a digital assets brokerage firm.[65]

Atkins' interactions with the crypto industry, however, have continued since he became the chair at the SEC. In April 2026, for instance, Atkins traveled to Las Vegas for a Bitcoin conference at the Venetian Casino and Resort.[66] Through a Freedom of Information Act (FOIA) request, Public Citizen obtained Atkins' travel records confirming that he stayed in the Venetian Resort-Las Vegas for the Bitcoin event.[67]

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[61] Paull Atkins, Financial Disclosure, PROPUBLICA, https://projects.propublica.org/trump-team-financial-disclosures/appointees/atkins-paul/
[62] SECURITIZE, https://securitize.io
[63] Ibid.
[64] Paul Atkins, Financial Disclosure, PROPUBLICA, https://projects.propublica.org/trump-team-financial-disclosures/appointees/atkins-paul/
[65] Ibid.
[66] Shiraz Jagati, "SEC Chair Paul Atkins Makes History as First Sitting Commissioner to Address the Bitcoin Conference," BITCOIN.COM NEWS, (April 27, 2026), https://news.bitcoin.com/sec-chair-atkins-bitcoin-2026-conference-las-vegas/
[67] SEC responsive records to Public Citizen FOIA request 26-02072.


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Thank you for selecting The Venetian Resort as your destination hotel while visiting Las Vegas. We hope your stay was enjoyable and look forward to serving you in the future.

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GUEST NAME
Mr Paul Atkins

ADDRESS
100 F St Ne, Washington, DC, 20549
US

RESERVATION ID
(b)(6)

HOTEL
The Venetian

SUITE #
(b)(6)

C. Conflicted SEC Crypto Task Force

Atkins is not the only SEC official with notable crypto-related ties. Some of those serving on the SEC's Crypto Task Force also have what appear to be crypto-related conflicts of interest.

1. Taylor Lindman, Chief Counsel, SEC Crypto Task Force

Taylor Lindman joined the SEC in February 2026 as chief counsel of the SEC Crypto Task Force.[68] Lindman's potential and apparent conflicts are not subtle. Prior to coming to the SEC, Lindman was the deputy general counsel at Chainlink Labs, which is the primary software developer for connecting blockchains to real-world data, including cryptocurrencies. It works with companies and institutions, such as Swift, UBS, Visa and World Liberty Financial, co-founded by Donald Trump.[69]

While employed at Chainlink Labs as a director and associate general counsel, Lindman met with the SEC Crypto Task Force staff twice in the span of four days. On March 24,

[68] Aniket Verma, "Hester Peirce Predicts 'Great Things' After Ex-Chainlink Executive Joins SEC Crypto Task Force As Chief Counsel," YAHOO!FINANCE (February 27, 2026), https://finance.yahoo.com/news/hester-peirce-predicts-great-things-183108450.html

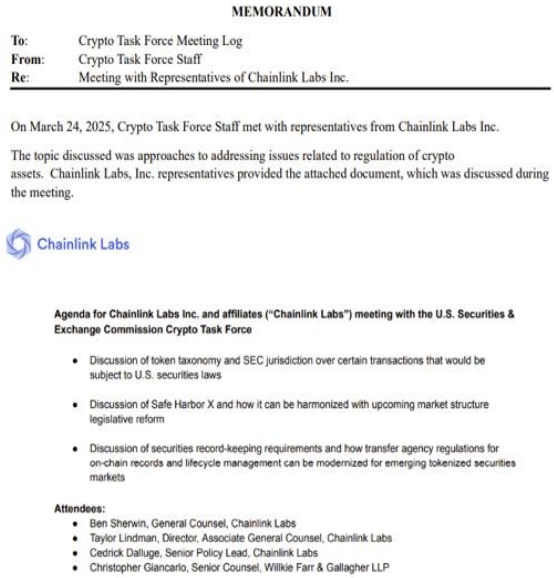
[69] Krisztian Sandor, "Trump-Supported World Liberty Financial Taps Chainlink Data Services as DeFi Platform Takes Shape," COINDESK (November 14, 2024) https://www.coindesk.com/business/2024/11/14/trump-supported-world-liberty-financial-taps-chainlink-data-services-as-defi-platform-takes-shape

2025, 11 months before he joined the SEC, Lindman met with the SEC Crypto Task Force along with the general counsel and a senior policy lead at Chainlink Labs, and an attorney from Willkie Farr & Gallagher LLP.[70] At the time, Michael Selig had just moved from Willkie Farr, where he was a member of the Asset Management Department and Willkie Digital Works Practice, to the SEC the very same month to become the chief counsel of the SEC's Crypto Task Force.[71] It is unclear if Selig was part of the SEC staff who met with Chainlink Labs and the Willkie Farr attorney in this meeting. Selig was confirmed as the chair of the Commodity Futures Trading Commission (CFTC) in December 2025[72] and Lindman moved to the SEC to take over as chief counsel of the Crypto Task Force in February 2026.[73]

On March 28, 2025, four days after this first meeting, Lindman was back at the SEC with the Chainlink Labs general counsel and also the CEO of Chainlink Labs. The Willkie Farr attorney was not present at this second meeting.[74] The SEC Crypto Task Force summarized both meetings the exact same way, as discussing "approaches to addressing issues related to regulation of crypto assets."[75]

Pasted below are the SEC memorandums from the March 24 and March 28, 2025, meetings. This sort of access and potential influence is impressive. And less than one year later Lindman became the chief counsel of the SEC Crypto Task Force where his mission is now ostensibly to regulate the very crypto industry that he once served.

[70] Memorandum, To: Crypto Task Force Meeting Log, From: Crypto Task Force Staff, Re: Meeting with Representatives of Chainlink Labs Inc., SECURITIES AND EXCHANGE COMMISSION (SEC), (March 24, 2025), https://www.sec.gov/files/ctf-memo-chainlink-labs-3-24-25.pdf
[71] "Willkie Alum Michael Selig Confirmed as 16th CFTC Chairman," WILLKIE (December 19, 2025) https://www.willkie.com/news/2025/12/willkie-alum-michael-selig-confirmed-as-16th-cftc-chairman
[72] Ibid.
[73] Taylor Lindman, LinkedIn profile, https://www.linkedin.com/in/taylor-lindman-b4a133100/
[74] Memorandum, To: Crypto Task Force Meeting Log, From: Crypto Task Force Staff, Re: Meeting with Representatives of Chainlink Labs Inc., SECURITIES AND EXCHANGE COMMISSION (SEC), (March 28, 2025), https://www.sec.gov/files/ctf-memo-chainlink-labs-032825.pdf
[75] Ibid.



MEMORANDUM

To: Crypto Task Force Meeting Log
From: Crypto Task Force Staff
Re: Meeting with Representatives of Chainlink Labs Inc.

On March 24, 2025, Crypto Task Force Staff met with representatives from Chainlink Labs Inc.

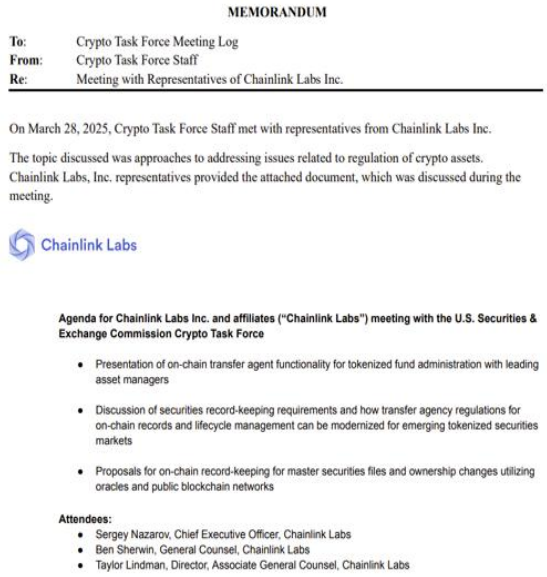
The topic discussed was approaches to addressing issues related to regulation of crypto assets. Chainlink Labs, Inc. representatives provided the attached document, which was discussed during the meeting.

Chainlink Labs

Agenda for Chainlink Labs Inc. and affiliates ("Chainlink Labs") meeting with the U.S. Securities & Exchange Commission Crypto Task Force

- Discussion of token taxonomy and SEC jurisdiction over certain transactions that would be subject to U.S. securities laws
- Discussion of Safe Harbor X and how it can be harmonized with upcoming market structure legislative reform
- Discussion of securities record-keeping requirements and how transfer agency regulations for on-chain records and lifecycle management can be modernized for emerging tokenized securities markets

Attendees:
- Ben Sherwin, General Counsel, Chainlink Labs
- Taylor Lindman, Director, Associate General Counsel, Chainlink Labs
- Cedrick Dalluge, Senior Policy Lead, Chainlink Labs
- Christopher Giancarlo, Senior Counsel, Willkie Farr & Gallagher LLP



MEMORANDUM

To: Crypto Task Force Meeting Log
From: Crypto Task Force Staff
Re: Meeting with Representatives of Chainlink Labs Inc.

On March 28, 2025, Crypto Task Force Staff met with representatives from Chainlink Labs Inc.

The topic discussed was approaches to addressing issues related to regulation of crypto assets. Chainlink Labs, Inc. representatives provided the attached document, which was discussed during the meeting.

Chainlink Labs

Agenda for Chainlink Labs Inc. and affiliates ("Chainlink Labs") meeting with the U.S. Securities & Exchange Commission Crypto Task Force

- Presentation of on-chain transfer agent functionality for tokenized fund administration with leading asset managers
- Discussion of securities record-keeping requirements and how transfer agency regulations for on-chain records and lifecycle management can be modernized for emerging tokenized securities markets
- Proposals for on-chain record-keeping for master securities files and ownership changes utilizing oracles and public blockchain networks

Attendees:
- Sergey Nazarov, Chief Executive Officer, Chainlink Labs
- Ben Sherwin, General Counsel, Chainlink Labs
- Taylor Lindman, Director, Associate General Counsel, Chainlink Labs

On Aug. 18, 2026, SEC Chairman Atkins issued a statement on regulating crypto assets and the SEC's support for the CLARITY Act, which he hoped would be delivered to President Trump's desk. The Digital Asset Market Clarity Act (known as the CLARITY Act)[76] was a bill to establish a formal regulatory framework for cryptocurrencies and digital assets but had many critics for its weak regulatory framework, among other issues. In his statement, Atkins thanked a long list of SEC staff for their work on the bill, including Lindman.[77] Lindman had gone from a position in the crypto industry trying to influence the SEC to a position within the SEC focused on setting SEC crypto policy. It was quite a transition. The bill, however, was defeated in Congress on Sept. 15, 2026.[78]

2. *Landon Zinda, Senior Adviser to SEC Crypto Task Force and Counsel to SEC Chairman*

In February 2025, one year before Lindman joined the SEC, **Landon Zinda** joined the SEC's Crypto Task Force as a senior adviser and counsel to the SEC chairman.[79] Like Lindman, Zinda came from the crypto community that he is now in charge of regulating. Zinda spent two years at the Coin Center as its policy director and counsel prior to joining the SEC. The Coin Center, founded in 2014, is a nonprofit dedicated to addressing public policy issues facing blockchain technologies and cryptocurrencies.[80] In 2021, Jack Dorsey,

[76] "What Is the CLARITY Act? Full Guide to US Crypto Regulation," THE SUMSUBER (July 30, 2026), https://sumsub.com/blog/clarity-act-guide/
[77] Paul S. Atkins, SEC Chairman, "Statement on Regulation Crypto Assets: Fit-for-Purpose Exemptions for Crypto Market Innovation," SECURITIES AND EXCHANGE COMMISSION (SEC) (August 18, 2026), https://www.sec.gov/newsroom/speeches-statements/atkins-statement-regulation-crypto-assets-081826
[78] Hannah Lang, "US Senate fails to advance sweeping cryptocurrency bill in blow for industry," REUTERS (September 15, 2026), https://www.reuters.com/legal/government/us-senate-vote-advancing-landmark-crypto-bill-2026-09-15/
[79] Landon Zinda, LinkedIn profile, https://www.linkedin.com/in/landon-zinda-92a04711/
[80] "About Coin Center," COIN CENTER, https://coincenter.org/about/

the former CEO of Twitter, donated $1 million to the Coin Center.[81] It has also received donations from the Association for Digital Asset Markets,[82] Kraken and Grayscale,[83] a crypto asset management firm, as well as Andreessen Horowitz, Chain, Coinbase and Circle, among others.[84]

Zinda's LinkedIn profile describes his work at the Coin Center this way: "Drafted and published policy research related to digital assets, decentralized finance, securities and commodities regulation, and taxation" and "[a]dvised federal agencies and the legislative branch on related policies."[85]

In addition, Zinda began lobbying for the Coin Center in April 2023, just one month after he joined the Coin Center, and three months after leaving his position as a counsel on the U.S. Senate Committee on Banking, Housing, and Urban Affairs.[86] Under the U.S. Senate's Conflict of Interest Rules, specifically Rule XXXVII, paragraph 9(b), a former committee staffer "may not lobby the members of the committee for which he worked, or the staff of that committee, for a period of one year after leaving his position."[87]

According to Zinda's lobbying disclosure reports, he lobbied the U.S. House of Representatives, U.S. Senate, Commodity Futures Trading Commission (CFTC), U.S. Department of the Treasury and the Securities and Exchange Commission (SEC) on "[i]ssues related to cryptocurrency technology" from April 1, 2023,[88] right up until the time he was appointed to his position at the SEC in February 2025.[89] However, he listed his employment with the Senate Banking Committee and his employment with Rep. Tom Emmer, R-Minn., in the House of Representatives as "covered" positions, and presumably followed the one-year lobbying restriction.

During Zinda's time lobbying for the Coin Center, he was the only in-house lobbyist for the Coin Center, and lobbying disclosure reports show that the Coin Center spent nearly $1.5 million on lobbying expenses during that 22-month time frame when Zinda lobbied for them, which appears to include his salary.[90] Today, at the SEC, Zinda's job involves

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[81] Ryan Browne, "Jack Dorsey donates $1 million to crypto think tank Coin Center," CNBC (February 10, 2021), https://www.cnbc.com/2021/02/10/jack-dorsey-donates-1-million-to-crypto-think-tank-coin-center.html
[82] "Coin Center," CAUSE IQ, https://www.causeiq.com/organizations/coin-center,471315917/
[83] "Kraken Donates $100k to Coin Center," KRAKEN BLOG, (February 1, 2021), https://blog.kraken.com/news/kraken-donates-to-coin-center
[84] Daniel Roberts, "Bitcoin group scores funds from biggest names in industry," YAHOO!FINANCE (February 17, 2016), https://finance.yahoo.com/news/bitcoin-coin-center-fundraising-1-million-044312414.html
[85] Landon Zinda, LinkedIn Profile, https://www.linkedin.com/in/landon-zinda-92a04711/
[86] Landon Zinda, The Coin Center, Inc., LOBBYING DISCLOSURE ACT (LDA), https://tinyurl.com/yxzn5vya
[87] Standing Rules of the Senate, Rule XXXVII, paragraph 9(b), COMMITTEE ON RULES AND ADMINISTRATION, U.S. SENATE (June 14, 2022), https://www.rules.senate.gov/rules-of-the-senate
[88] "Lobbying Registration," Landon Zinda, The Coin Center, Inc., LOBBYING DISCLOSURE ACT (LDA) (April 1, 2023), https://lda.gov/filings/public/filing/16612fc5-0e70-4284-8cf5-300755f20c4b/print/
[89] "Lobbying Report," 2025 Q1 (1/1 – 3/31), The Coin Center, Inc., Landon Zinda, LOBBYING DISCLOSURE ACT (LDA), https://lda.gov/filings/public/filing/3de183c0-be10-48aa-97ac-746b27991b3f/print/
[90] Landon Zinda, The Coin Center, Inc., LOBBYING DISCLOSURE ACT (LDA), https://tinyurl.com/yxzn5vya

implementing and upholding the very SEC regulations and policies he lobbied on while at the Coin Center. Early in his career Zinda also worked at the conservative Heritage Foundation, although he does not include that on his LinkedIn profile.[91]

3. *Cryptocurrency Enforcement Dismissals*

The SEC Crypto Task Force was created by then-acting SEC Chair Mark Uyeda on Jan. 21, 2025, the day after Trump's second inauguration, and SEC Commissioner Hester Peirce was tasked to lead it.[92] Just one month after the task force was formed, it dismissed an SEC enforcement case against Coinbase, the largest cryptocurrency exchange used to buy, sell, store and trade digital assets based in the United States.[93] In April 2026, the SEC announced that it had dismissed seven pending crypto-related enforcement matters during Trump's second term.[94] This included the dismissal of civil enforcement action against Coinbase,[95] Consensys Software Inc., Payward Inc., Dragonchain Inc., Balina and Binance.[96]

The dismissal of the case against Binance, in particular, should be viewed in its broader context and the clear connections to Donald Trump and his family. On Nov. 21, 2023, Changpeng Zhao, the founder of Binance, pleaded guilty[97] in U.S. federal district court in Seattle to a single count of violating Bank Secrecy Act laws by failing to implement an effective anti-money laundering program at Binance.[98] Separately, the company agreed to pay a $4.3 billion fine. The lax monitoring permitted funds to flow to terrorists and criminals.[99] On April 30, 2024, Zhao was sentenced to four months in federal prison.[100]

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[91] Landon Zinda, LEGISTORM, https://www.legistorm.com/person/bio/230709/Landon_J_Zinda.html
[92] "SEC Crypto 2.0: Acting Chairman Uyeda Announces Formation of New Crypto Task Force," Press Release, SECURITIES AND EXCHANGE COMMISSION (SEC), (January 21, 2025), https://www.sec.gov/newsroom/press-releases/2025-30
[93] "SEC Announces Dismissal of Civil Enforcement Action Against Coinbase," SECURITIES AND EXCHANGE COMMISSION (SEC) (February 27, 2025), https://www.sec.gov/newsroom/press-releases/2025-47
[94] "SEC Announces Enforcement Results for Fiscal Year 2025," SECURITIES AND EXCHANGE COMMISSION (SEC) (April 7, 2026), https://www.sec.gov/newsroom/press-releases/2026-34
[95] "SEC Announces Dismissal of Civil Enforcement Action Against Coinbase," SECURITIES AND EXCHANGE COMMISSION (SEC), (February 27, 2025), https://www.sec.gov/newsroom/press-releases/2025-47
[96] "SEC Announces Enforcement Results for Fiscal Year 2025," SECURITIES AND EXCHANGE COMMISSION (SEC) (April 7, 2026), https://www.sec.gov/newsroom/press-releases/2026-34
[97] "United States v. Changpeng Zhao," U.S. DEPARTMENT OF JUSTICE (November 21, 2023), https://www.justice.gov/criminal/case/united-states-v-changpeng-zhao
[98] "Binance and Founder Changpeng Zhao Plead Guilty And Pay More Than $4 Billion In Penalties," REEDSMITH (November 22, 2023), https://www.reedsmith.com/our-insights/blogs/viewpoints/102ita1/binance-and-founder-changpeng-zhao-plead-guilty-and-pay-more-than-4-billion-in-p/
[99] U.S. Senate Committee on Banking, Housing, and Urban Affairs (Minority), "Warren, Schiff Introduce Resolution to Condemn Trump's Pardoning of Binance Founder Changpeng Zhao" (Oct. 24, 2025). https://www.banking.senate.gov/newsroom/minority/warren-schiff-introduce-resolution-to-condemn-trumps-pardoning-of-binance-founder-changpeng-zhao
[100] Gene Johnson, "Binance founder Changpeng Zhao sentenced to 4 months in prison for allowing money laundering," ASSOCIATED PRESS (AP) (April 30, 2024), https://www.pbs.org/newshour/economy/binance-founder-changpeng-zhao-sentenced-to-4-months-in-prison-for-allowing-money-laundering

In March 2025, Reuters reported that representatives of the Trump family had discussed taking a financial stake in Binance at the very same time its founder Changpeng Zhao was seeking a pardon from President Trump.[101] In May 2025, the Trump family's World Liberty Financial, a digital-asset platform that issues its own cryptocurrencies and stablecoins, founded by President Trump and his three sons, announced that its USD1 stablecoin would be used to settle Abu Dhabi-backed MGX's $2 billion investment in Binance.[102]

On May 29, 2025, the SEC dismissed its own case against Binance,[103] dropping all 13 charges it originally filed against Binance and Zhao in June 2023 that included "operating unregistered exchanges, broker-dealers, and clearing agencies; misrepresenting trading controls and oversight on the Binance.US platform; and the unregistered offer and sale of securities."[104] On Oct. 23, 2025, the White House announced that President Trump had pardoned Zhao.[105]

Last year, President Trump reported more than $1.4 billion in income from crypto-related assets, revealing his keen financial interest in federal policy decisions impacting the crypto industry.[106] Trump is not alone. SEC Chairman Atkins has also been closely linked to the crypto industry.

As disconcerting as all of those apparent and potential conflicts are, some of those in the SEC's Enforcement Division appear to have even more troubling potential conflicts.

D. Enforcement No More?

As the name implies, the SEC's Division of Enforcement is tasked with enforcing SEC regulations and federal laws. Stacking the division with former criminal defense attorneys who defended those under investigation by the SEC, rather than those who prosecuted violators of U.S. securities laws, however, seems a bit strange, but that is exactly what has happened under Chairman Atkins' reign at the SEC.

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[101] "Trump family held deal talks with Binance's US arm, WSJ reports," REUTERS (Mar. 13, 2025), https://www.reuters.com/world/us/trump-family-held-deal-talks-with-binances-us-arm-wsj-reports-2025-03-13/
[102] Federico Maccioni, "Trump-linked stablecoin to close Abu Dhabi investment in Binance, co-founder says," REUTERS, (May 1, 2025), https://www.reuters.com/world/middle-east/wlfs-zach-witkoff-usd1-selected-official-stablecoin-mgx-investment-binance-2025-05-01/
[103] "Binance Holdings Limited; BAM Trading Services Inc.; BAM Management US Holdings Inc.; Changpeng Zhao," Litigation Release No. 26316, SECURITIES AND EXCHANGE COMMISSION (SEC) (May 29, 2025), https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26316
[104] "SEC Files 13 Charges Against Binance Entities and Founder Changpeng Zhao," SECURITIES AND EXCHANGE COMMISSION (SEC) (June 5, 2023), https://www.sec.gov/newsroom/press-releases/2023-101-sec-files-13-charges-against-binance-entities-founder-changpeng-zhao
[105] The Washington Post, "Trump pardons Binance founder Changpeng 'CZ' Zhao" (Oct. 23, 2025). https://www.washingtonpost.com/business/2025/10/23/trump-pardon-binance-zhao/
[106] Tom Bergin, Koh Gui Qing and Douglas Gillison, "Trump reports over $1.4 billion in income from crypto ventures," REUTERS (June 30, 2026), https://www.reuters.com/world/us/trump-reports-over-14-billion-income-crypto-ventures-2026-06-30/

1. *David Woodcock, Director, Division of Enforcement, SEC*

David Woodcock was appointed the new director of the SEC's Division of Enforcement on May 4, 2026.[107] He is both an accountant and an attorney. He had previously served at the SEC as regional director in Fort Worth, Texas, from 2011 to 2015. Prior to that he was an attorney at Vinson & Elkins from 2001 to 2011, and at Jones Day from 2015 to 2020, after he left the SEC the first time. He then became an in-house counsel for ExxonMobil from 2020 to 2023 before joining Gibson Dunn, where he practiced from 2023 to 2026.[108] He continued to represent ExxonMobil when he moved to Gibson Dunn, where he was chair of the firm's Securities Enforcement Practice Group.[109]

According to Woodcock's financial disclosure form, he received a nearly $7 million partner share payout when he left Gibson Dunn.[110] Among Woodcock's recent clients at Gibson Dunn prior to joining the federal workforce at the SEC were: AT&T, Charles Schwab Corporation, KPMG, ExxonMobil, News Corporation, SpaceX, The Western Union Company, United Parcel Service Inc. and the Abu Dhabi National Oil Company, among others. He also held between $1 million and $5 million in Amazon assets.[111]

While at Jones Day, Woodcock defended the former chief executive of the Rio Tinto mining company, Thomas Albanese, in an SEC lawsuit that accused Rio Tinto of fraud in its valuation of Mozambique coal assets.[112] In November 2023, Rio Tinto paid a $28 million penalty, and Albanese personally paid a $50,000 fine without admitting or denying the SEC allegations.[113]

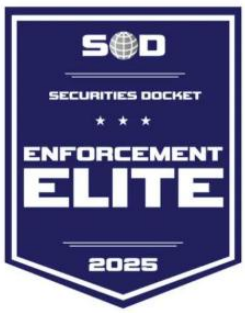
Given Woodcock's previous writings, he seems to be a perfect fit for the new anti-regulatory agenda at the SEC. In a 2023 opinion article titled "How To Keep Up With The SEC's Breakneck Rulemaking Pace," that he co-authored with two other Gibson Dunn attorneys, the authors essentially complained about what they described as "rulemaking by enforcement." "This brash approach is just one piece of an aggressive and expansive regulatory mindset that is keeping those regulated by the commission on high alert," the authors wrote. "Because at the same time that it is pushing the boundaries of enforcement,

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[107] "SEC Appoints David Woodcock as Director of the Division of Enforcement," Press Release, SECURITIES AND EXCHANGE COMMISSION (SEC) (April 8, 2026), https://www.sec.gov/newsroom/press-releases/2026-35-sec-appoints-david-woodcock-director-division-enforcement
[108] David Woodcock, LinkedIn profile, https://www.linkedin.com/in/dwoodcock/details/experience/
[109] David Woodcock, Public Financial Disclosure Report (OGE Form 278e), U.S. OFFICE OF GOVERNMENT ETHICS (OGE) (Signed July 17, 2026).
[110] Ibid.
[111] Ibid.
[112] "SEC Charges Rio Tinto with Fraud," CORPORATE CRIME REPORTER (October 17, 2017,) https://www.corporatecrimereporter.com/news/200/sec-charges-rio-tinto-fraud/
[113] "Rio Tinto: Settlement with Securities and Exchange Commission," Press Release, RIO TINTO (November 22, 2023), https://www.riotinto.com/en/news/releases/2023/rio-tinto-settlement-with-securities-and-exchange-commission

the SEC is also engaging in a historic amount of actual rulemaking by rulemaking — and at a blistering pace."[114]

Prior to leading the SEC's enforcement efforts, Woodcock appears to have been exceptionally good at his job defending those whom the SEC investigated for violating securities laws. In both 2024[115] and 2025,[116] Woodcock was named to the Securities Docket's Enforcement Elite list. The basic criteria for making the list are that you must be an attorney in private practice for at least the past two years, and at least 50% of your practice must be "dedicated to SEC enforcement defense work." In addition, the list says it honors professionals who are "**the kind of defensive specialists critical to have on speed-dial should the SEC's Division of Enforcement come calling**."[117] (Emphasis added.) Ironically, Woodcock is now the director of the SEC's Division of Enforcement.[118]



Securities Docket's "Enforcement Elite" for 2025 is our list of the best securities enforcement defense counsel in the industry. Specifically, this list honors professionals who not only have the right stuff to handle bet-the-company matters, but are also the kind of defensive specialists critical to have on speed-dial should the SEC's Division of Enforcement come calling.

The Enforcement Elite list is guided by a simple question:
Who would you hire if you, your company or a family member was faced with an important SEC enforcement matter?

In addition, there are three core requirements. Candidates for the Enforcement Elite:

- **Must be in the private sector for at least the past two years.**
- **Must have a practice that is at last 50% dedicated to SEC enforcement defense work.**
- **Must be attorneys (as opposed to accountants, economists or other experts).**

[114] David Woodcock, Timothy Zimmerman and Eitan Arom, "How To Keep Up With The SEC's Breakneck Rulemaking Pace," LAW360 (March 7, 2023), https://www.gibsondunn.com/wp-content/uploads/2023/03/Woodcock-Zimmerman-Arom-How-To-Keep-Up-With-The-SECs-Breakneck-Rulemaking-Pace-Law360-03-07-2023.pdf?_sp=11068804-e615-4016-8405-c1f166bff1ce.1789676652163
[115] "Enforcement Elite 2024," SECURITIES DOCKET, https://www.securitiesdocket.com/enforcement-elite-for-2024/
[116] "Enforcement Elite 2025," SECURITIES DOCKET, https://www.securitiesdocket.com/enforcement-elite-for-2025/
[117] Ibid.
[118] "SEC Appoints David Woodcock as Director of the Division of Enforcement," Press Release, SECURITIES AND EXCHANGE COMMISSION (SEC) (April 8, 2026), https://www.sec.gov/newsroom/press-releases/2026-35-sec-appoints-david-woodcock-director-division-enforcement

2. Osman Nawaz, Deputy Director, Division of Enforcement, SEC

Other former criminal defense attorneys who focused on defending their clients against SEC enforcement actions now appear in leadership positions in the SEC's Enforcement Division as well. **Osman Nawaz**, the principal deputy director and head of specialized units[119] in the SEC's Enforcement Division, is the poster child for the "revolving door."[120]

From 2005 to 2010, Nawaz was an associate at Morrison & Foerster LLP before moving to the SEC for 14 years where he worked in its New York office in various positions as a counsel and senior officer in Enforcement.[121] He left the SEC in November 2024 and worked at Gibson Dunn for 19 months between December 2024 and June 2026 before he returned to the SEC as a deputy director in the Enforcement Division.[122] It is unclear who Nawaz's clients were when he was at Gibson Dunn, and the SEC's ethics counsel says it has no releasable financial disclosure records for Nawaz. In August 2026, according to Gibson Dunn, the SEC announced it was establishing a new "Financial Reporting and Accounting Unit" within the SEC's Division of Enforcement, and its leader will report to Principal Deputy Director Osman Nawaz.[123]

3. Paul H. Tzur, Deputy Director, Division of Enforcement, SEC

At least two other recent SEC Division of Enforcement hires also have backgrounds as criminal defense attorneys. In January 2026, the SEC announced the appointment of two deputy directors in its Division of Enforcement, **Paul Tzur**, and David Morrell. Tzur will oversee the SEC's enforcement operations in the Chicago, Atlanta and Miami regional offices, and Morrell will oversee the agency's enforcement program in the New York, Boston and Philadelphia regional offices.[124]

Tzur spent six years as a partner at Blank Rome LLP in Chicago and previously was an assistant U.S. attorney in the Northern District of Illinois in the Securities and Commodities Fraud Section. He also previously practiced at Skadden Arps. Blank Rome announced his move to the SEC in a regulatory update.[125]

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[119] Osman Nawaz, LinkedIn profile, https://www.linkedin.com/in/osman-nawaz-a2795619/
[120] Ibid.
[121] Ibid.
[122] Ibid.
[123] "SEC Enforcement Division Launches Financial Reporting and Accounting Unit," Client Alert, GIBSON DUNN (August 5, 2026), https://www.gibsondunn.com/sec-enforcement-division-launches-financial-reporting-and-accounting-unit/
[124] "Paul Tzur and David Morrell Named Deputy Directors of the Division of Enforcement," Press Release, SECURITIES AND EXCHANGE COMMISSION (SEC) (January 12, 2026), https://www.sec.gov/newsroom/press-releases/2026-4-paul-tzur-david-morrell-named-deputy-directors-division-enforcement
[125] "Regulatory Update and Recent SEC Actions: April 2026," BLANK ROME, https://www.blankrome.com/news-and-events/regulatory-update-and-recent-sec-actions-30-2/

Tzur's financial disclosure report says he is owed the rest of his total compensation from Blank Rome in fiscal 2025 and that he received monthly distribution payments from the firm in 2025. He also said that Blank Rome is making two additional lump-sum payments to him in 2026, in January 2026 and April 2026, for the remainder of his 2025 compensation. The value of that compensation was estimated to be between $100,000 and $250,000.[126]

Tzur listed close to 50 clients in his financial disclosure form, including Archer Daniels Midland, Caesars Entertainment, Banc of California, Cox Enterprises Inc., ZTE Corporation, Rushmore Energy LLC and several individual clients.[127] He also indicated that he had one "confidential client" that he did not disclose because the "client was the subject of a non-public investigation in which there are no public filings, statements, appearances, or reports that identify the client."[128]

4. *David Morrell, Deputy Director, Division of Enforcement, SEC*

David Morrell was a partner at Jones Day from 2021 until January 2026, when he joined the SEC, and had previously worked at the firm from 2013 to 2017.[129] Morrell listed more than 60 former clients in his financial disclosure report. This included The Boeing Company, Bristol Myers Squibb Company, Bass Pro LLC, Deere & Company, CNX Resources Corporation, Boviet Solar Technology Co. Ltd., JPMorgan Chase Bank, Morgan Stanley & Co. LLC, Google LLC, Koch Inc., BNSF Railway Company, Kia America Inc., Experian Information Solutions Inc., Exxon Mobil Corporation, Ford Motor Company, Bloomberg L.P., Sirius XM Radio Inc., Owens Corning, CITGO Petroleum Corporation and the Republican National Committee, among others.[130]

Morrell also served in the first Trump administration as a special assistant and associate counsel to the president from 2017 to 2019.[131] From the White House he moved to the Department of Justice in the Civil Division, for a brief 18-month stint from 2019 to 2020 before he moved to Jones Day as a partner.[132]

Morrell and Tzur's long list of clients, many of whom fall under SEC regulatory authority, creates an amalgam of conflicts that they will need to avoid.

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[126] Paul Tzur, Public Financial Disclosure Report (OGE Form 278e), U.S. OFFICE OF GOVERNMENT ETHICS (OGE) (Signed January 25, 2026).
[127] Ibid.
[128] Ibid.
[129] David Morrell, Public Financial Disclosure Report (OGE Form 278e), U.S. OFFICE OF GOVERNMENT ETHICS (OGE) (Signed March 10, 2026).
[130] Ibid.
[131] David Morrell, LinkedIn profile, https://www.linkedin.com/in/david-morrell-191135a1/
[132] Ibid.

E. Division of Corporation Finance Conflicts

1. *James ("Jim") Moloney, Director, Division of Corporation Finance, SEC*

Other potential and apparent conflicts among SEC staff also exist. **Jim Moloney** is another former Gibson Dunn attorney. In September 2025, James Moloney was named director of the SEC's Division of Corporation Finance. He had previously served at the SEC from 1994 to 2000.[133] Moloney had served as a partner at the Gibson, Dunn & Crutcher LLP law firm for 25 years from 2000 to 2025, prior to coming to the SEC, where he co-led the firm's Securities Regulation and Corporate Governance Practice Group.[134]

Now at the SEC he is involved in a practice area that may involve many of his former Gibson Dunn corporate clients, including B/E Aerospace, Aerojet Rocketdyne Holdings, Kraft Foods, Ryland Homes, Hewlett-Packard, PeopleSoft, Chevron Corporation and others.[135]

In addition, according to his financial disclosure form, Moloney received more than $4.4 million in various salary, distributions and bonuses when he left Gibson Dunn. Separately he listed between $1 million and $5 million in an "anticipated partnership share" plan, and an additional $1 million to $5 million in his "pension plan."[136] Moloney still has financial ties to Gibson Dunn. "Pursuant to the partnership agreement," wrote Moloney in his financial disclosure form, "I will receive fixed monthly payments. The payment amount will be calculated based on the shares a partner earned the year prior to their retirement." Separately, he wrote: "I will continue to participate in the LLC partnership agreement which provides a fixed payment retirement distribution."[137]

On April 20, 2026, the SEC Crypto Task Force staff met with representatives of Blockaid Inc. and its outside counsel, Gibson, Dunn & Crutcher LLP. There is no indication that Moloney participated in this meeting, but as noted above, several new SEC hires previously worked at Gibson Dunn, creating potential conflicts. For Moloney, attempting to avoid conflicts with Gibson Dunn and his extensive list of more than 70 former clients will be challenging.

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[133] James Moloney, LinkedIn profile, https://www.linkedin.com/in/jim-moloney-8b44b87/
[134] Ibid.
[135] James Moloney, Public Financial Disclosure Report (OGE Form 278e), U.S. OFFICE OF GOVERNMENT ETHICS (OGE) (Signed December 30, 2025). Several of the companies he listed as previous clients have since been acquired or merged with other companies that are regulated by the Securities and Exchange Commission (SEC).
[136] Ibid.
[137] Ibid.

2. *Michael Arnold, Senior Adviser to Director on Disclosure and Corporate Governance, Division of Corporation Finance, SEC*

Michael Arnold is a senior adviser to the director on disclosure and corporate governance, Division of Corporation Finance, at the SEC.[138] Arnold spent more than 12 years at Cravath, Swaine & Moore LLP, before joining the SEC.[139] He received a partnership share payout of $4.1 million from Cravath when he left the firm in March 2026, immediately before joining the agency .[140] Separately, he is currently receiving undisclosed quarterly payments from Cravath under its deferred compensation retirement plan, valued at between $1 million and $5 million.[141] He divested two cryptocurrencies, Bitcoin (BTC) and Ethereum (ETH), when he joined the SEC.[142]

In his financial disclosure form, Arnold listed more than 100 clients he had represented at Cravath that included Amentum Holdings Inc., Bank of America, Blackstone, Biogen, Eli Lilly and Company, Hasbro Inc., IBM Corp., Novartis AG, Occidental Petroleum Corporation, Peabody Energy, PG&E, Qualcomm Inc., PepsiCo Inc., Shell plc, The Walt Disney Company, the Tesla board of directors, Truist Financial Corporation and the Weyerhaeuser Company, among many others. All of these companies are regulated by the SEC, creating a maze of potential conflicts of interest in Arnold's new position at the SEC.[143]

Over the years, Arnold has had frequent interactions with the SEC, both as a partner at Cravath, Swaine & Moore, and as the co-chair and later chair of the American Bar Association's (ABA's) Federal Regulation of Securities Committee.[144]

- On June 24, 2022, Jay H. Knight, chair of the ABA's Federal Regulation of Securities Committee, sent a letter to Vanessa Countryman, secretary of the SEC, regarding "The Enhancement and Standardization of Climate-Related Disclosures for Investors."[145] In the letter, Michael Arnold was listed as co-chair of the ABA committee.

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[138] Michael Arnold, LinkedIn profile, https://www.linkedin.com/in/michael-arnold-9b7b7742/
[139] Ibid.
[140] Michael Arnold, New Entrant Report, Public Financial Disclosure Report (OGE Form 278e), OFFICE OF GOVERNMENT ETHICS (OGE) (obtained via the SEC's Office of the Ethics Counsel).
[141] Ibid.
[142] Ibid.
[143] Michael Arnold, LinkedIn profile, https://www.linkedin.com/in/michael-arnold-9b7b7742/
[144] "Michael Arnold Appointed Chair of ABA Business Law Section's Federal Regulation of Securities Committee," CRAVATH (September 19, 2024), https://www.cravath.com/news-insights/michael-arnold-appointed-chair-of-aba-business-law-sections-federal-regulation-of-securities-committee.html
[145] Letter from Jay H. Knight, Chair of the American Bar Association's (ABA's) Federal Regulation of Securities Committee to Vanessa Countryman, Secretary, Securities and Exchange Committee (SEC), RE: "File No. S7-10-22, Release Nos. 33-11042; 34-94478, The Enhancement and Standardization of Climate-Related Disclosures for Investors," AMERICAN BAR ASSOCIATION (ABA) (obtained via SECURITIES AND EXCHANGE COMMITTEE (SEC) (June 24, 2022), https://www.sec.gov/comments/s7-10-22/s71022-20132946-303300.pdf

- On April 20, 2023, SEC Commissioner Mark T. Uyeda and his counsel, Charles Lee, met virtually with Michael Arnold and one of his colleagues at Cravath, Swaine to discuss a proposed SEC rule, "Share Repurchase Disclosure Modernization."[146]

- On Oct. 11, 2024, Arnold and another attorney at Cravath were cc'd in a letter to the SEC's Division of Corporation Finance from the general counsel at Paragon 28 Inc.[147]

- On Dec. 5, 2024, Arnold, as chair of the ABA's Business Law Section's Federal Regulation of Securities Committee, introduced then-SEC Chair Gary Gensler during the ABA's Federal Regulation of Securities Winter Meeting.[148] Gensler's remarks were titled "Capital Markets, Competition, and the SEC."

- On Feb. 23, 2025, Arnold had dinner with acting SEC Chairman Mark T. Uyeda, along with seven other speakers at the Florida Bar's 41st Annual Federal Securities and Mergers & Acquisitions (M&A) Conference.[149]

- During the ABA's 2025 Business Law Section Spring Meeting, from April 24 to 26, 2025, Arnold moderated a session titled "Dialogue with the Director," where he interviewed Cicely LaMothe, the acting director of the Division of Corporation Finance at the SEC.[150] (LaMothe left the SEC in September 2025 and was replaced by James Moloney, mentioned above, who is now Arnold's boss.)[151]

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[146] "Memorandum, To: File No. S7-21-21, From: Charles Lee, Office of Commissioner Mark T. Uyeda, RE: Meeting with Representatives of Cravath, Swaine & Moore LLP ("Cravath")," SECURITIES AND EXCHANGE COMMISSION (SEC) (April 20, 2023), https://www.sec.gov/comments/s7-21-21/s72121-20164522-334418.pdf

[147] Letter from Robert McCormack, General Counsel & Corporate Secretary, Paragon 28, Inc., to Al Pavot and Terence O'Brien, Office of Industrial Applications and Services, Division of Corporation Finance, U.S. Securities and Exchange Commission (SEC), RE: Paragon 28, Inc., Amendment No. 1 to Form 10-K for the fiscal year ended December 31, 2023 SECURITIEIS AND EXCHANGE COMMISSION (SEC)((October 11, 2024), https://www.sec.gov/Archives/edgar/data/1531978/000110465924108070/filename1.htm

[148] SEC Chair Gary Gensler, "Capital Markets, Competition, and the SEC," American Bar Association's (ABA's) Federal Regulation of Securities Winter Meeting, SECURITIES AND EXCHANGE COMMISSION (SEC) (December 5, 2024), https://www.sec.gov/newsroom/speeches-statements/gensler-remarks-american-bar-association-120524

[149] Acting SEC Chairman Mark T. Uyeda, Public Calendar, February 1, 2025, to February 28, 2025, SECURITIES AND EXCHANGE COMMISSION (SEC), https://www.sec.gov/files/acting-chairman-uyeda-public-calendar-2025-02.pdf

[150] "Michael Arnold Moderates "Dialogue with the Director" and Speaks at the American Bar Association's 2025 Business Law Section Spring Meeting," Press Release, CRAVATH (April 28, 2025), https://www.cravath.com/news-insights/michael-arnold-moderates-dialogue-with-the-director-and-speaks-at-the-american-bar-associations-2025-business-law-section-spring-meeting.html

[151] "SEC Appoints New Director of Division of Corporation Finance," Press Release, DELOITTE (September 10, 2025), https://dart.deloitte.com/USDART/home/news/all-news/2025/sep/sec-appoints-new-director

- On Dec. 18, 2025, Arnold, as chair of the ABA's Federal Regulation of Securities Committee, sent a letter to the Office of the Secretary at the SEC, regarding residential mortgage-backed securities disclosures.[152]

There is nothing to suggest any of those interactions were inappropriate. However, they illustrate the close interactions that Arnold had with the SEC sitting on the other side of the desk as an individual representing companies regulated by the SEC. Although Arnold now sits on the other side of the desk as a regulator, Cravath and its clients still have a vested interest in influencing the SEC and its policies. In June 2026, for instance, three months after Arnold started at the SEC, Cravath published two memos on the SEC's proposed filer status, registered offering reforms and IPO modernization.[153] In addition, as Arnold's financial disclosure makes clear, he is still — to this day — financially tied to Cravath as part of his deferred retirement compensation plan.[154]

There are many other possible conflicts. Arnold represented several crypto-related companies while at Cravath, including Galaxy Digital Holdings GP LLC, Robinhood Markets, Silvergate Capital Corporation and PayPal. SEC Chair Atkins has listed crypto asset reform as one of his top rulemaking priorities. Arnold will ostensibly be engaged in these efforts but will need to carefully avoid conflicts with his former clients.

In April 2026, the month after Arnold began his position at the SEC, two of his former clients, the U.S. Chamber of Commerce and the Business Roundtable, wrote letters to the SEC. On April 10, 2026, the Chamber of Commerce urged the SEC to rescind Regulation S-K regarding cyber and climate-related mandates.[155] On April 13, 2026, the Business Roundtable wrote to the SEC and complained about both cybersecurity-related disclosures and executive compensation issues.[156]

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[152] Letter from Michael Arnold, Chair, American Bar Association (ABA), Federal Regulation of Securities Committee, to the Office of the Secretary, Securities and Exchange Commission (SEC), Re: File No. S7-2025-04, Release Nos. 33-11391; 34-104102, Residential Mortgage-Backed Securities Disclosure and Enhancements to Asset-Backed Securities Registration, AMERICAN BAR ASSOCIATION (obtained via the SECURITIES AND EXCHANGE COMMITTEE (SEC) (December 18, 2025), https://www.sec.gov/comments/s7-2025-04/s7202504-686167-2125914.pdf

[153] "Cravath Publishes Two Memos on SEC's Proposed Filer Status and Registered Offering Reforms and Request for Comment on IPO Modernization," CRAVATH (June 15, 2026), https://www.cravath.com/news-insights/cravath-publishes-two-memos-on-secs-proposed-filer-status-and-registered-offering-reforms-and-request-for-comment-on-ipo-modernization.html

[154] Michael Arnold, Public Financial Disclosure Report (OGE Form 278e), U.S. OFFICE OF GOVERNMENT ETHICS (OGE) (Signed March 30, 2026).

[155] Letter from Mike Flood, Senior Vice President, Center for Capital Markets Competitiveness, U.S. Chamber of Commerce to Ms. Vanessa Countryman, Secretary, Securities and Exchange Commission (SEC), RE: Reforming Regulation S-K (File No. CLL-15), U.S. CHAMBER OF COMMERCE (April 10, 2026), https://www.uschamber.com/finance/letter-to-sec-on-reforming-regulation-s-k-cll-15

[156] Letter from Will Anderson, Vice President, Business Roundtable to Ms. Vanessa Countryman, Secretary, Securities and Exchange Commission (SEC), RE: File Number CLL-15, Statement on Reforming Regulation S-K, BUSINESS ROUNDTABLE (April 13, 2026), https://www.businessroundtable.org/business-roundtable-response-to-the-sec-statement-on-reforming-regulation-s-k

These are issues that would seem to fall squarely in Arnold's lap. In his new role at the SEC, Arnold will undoubtedly need to maneuver around potential ethical issues that may emerge concerning the roster of more than 100 corporate clients he once provided legal advice to, often regarding SEC-related matters. Now he sits in a different chair, overseeing his former clients as a federal regulator and his past business ties create a thorny web of potential conflicts of interest.

F. PR Conflicts

1. *Erik Hotmire, Chief External Affairs Officer and Director, Office of Public Affairs, SEC*

Even the SEC's new head of public relations has several potential conflicts of interest.

Erik Hotmire is the chief external affairs officer and director, Office of Public Affairs, at the Securities and Exchange Commission. He began his career in the U.S. Senate where he worked as a deputy press secretary and communications director for seven years before becoming a special assistant to President George W. Bush from 2003 to 2005, and later a senior adviser to the chairman of the SEC and also a senior adviser in the SEC's Division of Enforcement from 2008 to 2010.[157]

After initially leaving the SEC in his first stint there, Hotmire moved to the public relations firm the Brunswick Group for nine years from 2010 to 2019 and eventually became a partner and the global co-lead of its Financial Institutions Group.[158] He also spent time at other public relations-focused firms. From 2019 to 2021 he was a senior managing director at Teneo, and a partner at FGS Global from 2021 to 2023, before co-founding his own firm, Watermark Strategies.[159]

None of his clients from his extensive public relations career, however, have been publicly disclosed while at these firms. Hotmire's Office of Government Ethics (OGE) financial disclosure form cites a total of 22 "confidential corporate clients" that he did not disclose "because of specific confidentiality obligations, including a binding nondisclosure agreement."[160] That is a major gap in understanding potential conflicts of interest that may emerge in Hotmire's current role at the Securities and Exchange Commission.

Hotmire's OGE disclosure form, however, does list payments as "salary" that appear to be consulting contracts with three private companies, Guidepoint Global, Gerson

[157] Erik Hotmire, LinkedIn, https://www.linkedin.com/in/erik-hotmire/
[158] Erik Hotmire, Chief External Affairs Officer and Director, Office of Public Affairs, Biography, SECURITIES AND EXCHANGE COMMISSION (SEC), https://www.sec.gov/about/division-office-directors/erik-hotmire
[159] Erik Hotmire, LinkedIn profile, https://www.linkedin.com/in/erik-hotmire/details/experience/
[160] Ibid.

Lehrman Group and AlphaSights.[161] In 2005 and 2006, when Hotmire was at Clark & Weinstock, he also attended meetings at the White House with Microsoft[162] and Xcel Energy, presumably representing these companies at the time.[163] While employed at Clark & Weinstock in 2007 he was also registered as a "consultant" to the Russian oil company Gazprom, according to Foreign Agents Registration Act (FARA) records filed with the Department of Justice.[164]

Additionally, Hotmire was a registered lobbyist in 2008 for multiple companies, including: AgStar Financial Services, Broadcom Corporation, eBay Inc., Ericsson North America, Motor & Equipment Manufacturers Association, Nokia Inc., Panasonic Mobile Communications, Texas Instruments Incorporated, Singapore Technologies and Yahoo Inc., among others.[165]

On Feb. 22, 2024, just prior to obtaining his current position at the SEC, Hotmire co-founded a corporate communications and public affairs firm with Zack Condry called Watermark Strategies.[166] The company offers "C-suite and board advisory" services, crisis management and mergers and acquisitions support, government investigations and regulatory advisory, comprehensive digital campaign services, and "political intelligence."[167] Hotmire's financial disclosure form indicates he left his position as partner at Watermark Strategies in June 2025 and joined the SEC the same month.

In April 2025, two months before he joined the SEC, Hotmire and the company he co-founded, Watermark Strategies, co-hosted what was described as an inaugural "D.C. Compliance & Government Investigations Seminar."[168] Hotmire provided an introduction, and the seminar included speakers from Pfizer, Google, Northrop Grumman, Samsung, Microsoft and other companies, and the topics included "When the Government Comes Knocking: Best Practices in Managing Investigations;" "The Fraud Files: Lessons in Procurement & Grant Fraud;" "Regulatory Update: First 100 Days of

[161] Erik Hotmire, Public Financial Disclosure Report (OGE Form 278e), U.S. OFFICE OF GOVERNMENT ETHICS (October 17, 2025) (obtained through the SEC's Office of the Ethics Counsel).
[162] "Meeting Record Regarding: Labor Certification for the Permanent Employment of Aliens in the U.S.," OFFICE OF MANAGEMENT AND BUDGET (OMB) (August 9, 2005), https://obamawhitehouse.archives.gov/omb/oira_1205_meetings_459
[163] "Meeting Record Regarding: CAIR Final Rule," OFFICE OF MANAGEMENT AND BUDGET (OMB) (March 3, 2006), https://obamawhitehouse.archives.gov/omb/oira_2060_meetings_490
[164] "Amendment to Registration Statement Pursuant to the Foreign Agents Registration Act of 1938, as amended," U.S. DEPARTMENT OF JUSTICE (January 6, 2012), https://efile.fara.gov/docs/5914-Amendment-20120106-4.pdf
[165] Erik Hotmire, Lobbying Disclosure Records, LOBBYING DISCLOSURE ACT (LDA), https://tinyurl.com/mmz628zv
[166] "Corporate Affairs Firm Watermark Strategies Launches," Press Release, WATERMARK STRATEGIES (February 22, 2024), https://www.businesswire.com/news/home/20240222696508/en/Corporate-Affairs-Firm-Watermark-Strategies-Launches
[167] Ibid.
[168] "Inaugural D.C. Compliance & Government Investigations Seminar," BASS BERRY AND SIMS, AND WATERMARK STRATEGIES (April 8, 2025), https://www.bassberry.com/wp-content/uploads/2025-D.C.-CGI-In-Person_Agenda.pdf

Trump:" and "Emerging Technology: the Evolving Tech Landscape."[169] Two months later Hotmire was no longer advising corporate clients on how to maneuver during SEC or other government investigations and regulatory actions. Instead, he was now the SEC's top spokesperson.

Hotmire reportedly severed his ties with Watermark Strategies when he left the company to join the SEC in June 2025. A company called Vested acquired Watermark Strategies in August 2026.[170] Vested says it works with banking, mortgage, insurance, private equity, financial technology and wealth management clients, according to its website.[171]

G. SEC Office of General Counsel Conflicts

1. *John ("J") Russell ("Rusty") McGranahan, General Counsel, SEC*

Russell McGranahan is the SEC's general counsel. Early in his career[172] McGranahan worked at the law firms White & Case, where he represented the Slovak Telecom company,[173] and at Skadden Arps, where he represented Temple-Inland Inc., which later became a wholly owned subsidiary of International Paper.[174] His other clients at these firms could not be identified. He then moved to the investment firm BlackRock in 2006 as a managing director, mergers and acquisitions (M&A) counsel and corporate secretary where he remained until 2015. The clients he touched at BlackRock are not known, but BlackRock is a massive publicly traded global investment management firm that manages more than $13 trillion in assets[175] and has clients in more than 100 countries. BlackRock holds a financial stake in thousands of companies. The top 10 companies that BlackRock has invested in include Nvidia, Apple, Microsoft, Amazon, Alphabet, Broadcom, Meta, Micron, and Tesla.[176]

McGranahan left BlackRock to become the general counsel at Focus Financial Partners, where he remained for nine years until October 2024, according to his LinkedIn profile and financial disclosure statement.[177] In January 2025, he was appointed general counsel at the General Services Administration (GSA) before moving to the Securities and Exchange Commission.[178] He started at the SEC as a senior adviser to the chairman in

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[169] Ibid.
[170] "Vested Acquires Watermark Strategies in Strategic Deal," SIGNALBASE (August 6, 2026), https://www.trysignalbase.com/news/acquisitions/watermark-strategies-acquired-by-vested-acquisition-1
[171][171] Vested, https://fullyvested.com/
[172] Russell McGranahan, LinkedIn profile, https://www.linkedin.com/in/russellmcgranahan/
[173] "Implementation Completion Report on a loan in the amount of $55.0 million to the Slovak Republic For a Telecommunications Project," CPL-36370; SCL-3637A, THE WORLD BANK (December 13, 2000), https://documents1.worldbank.org/curated/en/377411468299080679/pdf/multi-page.pdf
[174] "Big Deals: Temple-Inland | Gaylord Container," THE AMERICAN LAWYER (May 2, 2002), https://www.kirkland.com/news/in-the-news/2002/05/big-deals-templeinland--gaylord-container
[175] "BlackRock History," BLACKROCK, https://www.blackrock.com/corporate/about-us/who-we-are/history
[176] "Blackrock Companies," SLICKCHARTS, https://www.slickcharts.com/blackrock
[177] Russell McGranahan, LinkedIn profile, https://www.linkedin.com/in/russellmcgranahan/
[178] Ibid.

November 2025 and was appointed SEC general counsel in January 2026.[179] The SEC's general counsel is the agency's chief legal authority.

Both McGranahan's LinkedIn profile and his OGE financial disclosure form say he severed ties with Focus Financial when he left the company in October 2024, although he received a monthly severance payment for one year following his separation from the company.[180] However, the record on his reported separation from Focus Financial is not completely clear.

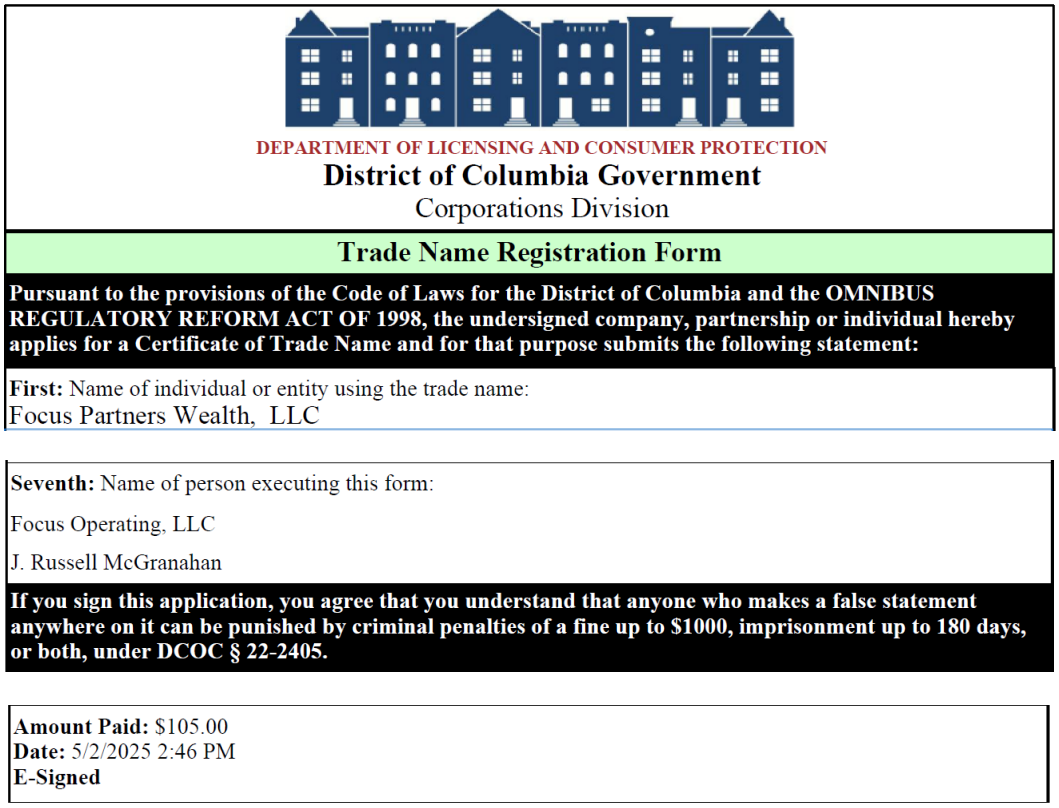
Focus Operating LLC is one of several companies that are classified as "Employer Entities" that fall under the umbrella of Focus Financial Partners Inc.[181] McGranahan's financial disclosure form indicates he worked for both Focus Financial Partners Inc. and Focus Operating LLC.[182] Focus Partners Wealth LLC (formerly The Colony Group LLC) is the SEC-registered investment adviser, fully owned by Focus Financial Partners Inc., and it uses at least 10 different trade names.[183]

According to records obtained online from the District of Columbia Corporations Division,[184] Focus Partners Wealth LLC registered the trade name "Focus Partners / Institutional" on May 2, 2025,[185] seven months after McGranahan reportedly severed ties with the company, and the trade name "Churchill Management Group, at Focus Partners Wealth" on Sept. 10, 2025.[186] In both instances J. Russell McGranahan at Focus Operating LLC was listed as the "person executing this form." Directly underneath his name is a cautionary box that says: "If you sign this application, you agree that you understand that anyone who makes a false statement anywhere on it can be punished by criminal penalties of a fine up to $1000, imprisonment up to 180 days, or both, under DCOC § 22-2405."

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[179] Ibid.
[180] See: Russell McGranahan, LINKEDIN Profile, https://www.linkedin.com/in/russellmcgranahan/ and John Russell McGranahan's Public Financial Disclosure Report (OGE Form 278e), OFFICE OF GOVERNMENT ETHICS (OGE), electronically signed by McGranahan on April 7, 2025, soon after he was appointed General Counsel at the General Services Administration (GSA).
[181] Focus Financial Partners Inc., Schedule 14A (Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934), SECURITIES AND EXCHANGE COMMISSION (SEC) (June 12, 2023), https://www.sec.gov/Archives/edgar/data/1651052/000110465923070125/tm2312331-6_defm14a.htm
[182] John Russell McGranahan's Public Financial Disclosure Report (OGE Form 278e), OFFICE OF GOVERNMENT ETHICS (OGE), electronically signed by McGranahan on April 7, 2025.
[183] "Focus Partners Wealth LLC," Investment Adviser Firm Summary, SECURITIES AND EXCHANGE COMMISSION (SEC), https://adviserinfo.sec.gov/firm/summary/159289
[184] Department of Licensing and Consumer Protection, Corporations Division, District of Columbia, https://boss.dc.gov/dashboard
[185] Focus Partners Wealth, LLC, Trade Name Registration Form, Trade Name: "Focus Partners / Institutional," DEPARTMENT OF LICENSING AND CONSUMER PROTECTION, CORPORATIONS DIVISION, DISTRICT OF COLUMBIA (May 2, 2025), https://boss.dc.gov/dashboard
[186] Focus Partners Wealth, LLC, Trade Name Registration Form, Trade Name: "Churchill Management Group, at Focus Partners Wealth," DEPARTMENT OF LICENSING AND CONSUMER PROTECTION, CORPORATIONS DIVISION, DISTRICT OF COLUMBIA (September 10, 2025), https://boss.dc.gov/dashboard

McGranahan was listed on these records four months and eight months, respectively, after he became a federal employee at the GSA and records indicate he claimed to have severed his ties to Focus Financial. It is possible there was a clerical error on the part of the D.C. Corporations Division that somehow mistakenly or inadvertently listed McGranahan's name on the digital documents. Other state records do not list McGranahan being associated with Focus or its related entities in 2025 or 2026. However, McGranahan's name is listed on two separate 2025 documents from the District of Columbia, four months apart, which he or someone else from Focus Financial appears to have signed electronically. Portions of the May 2025 document are listed below.



DEPARTMENT OF LICENSING AND CONSUMER PROTECTION
District of Columbia Government
Corporations Division

Trade Name Registration Form

Pursuant to the provisions of the Code of Laws for the District of Columbia and the OMNIBUS REGULATORY REFORM ACT OF 1998, the undersigned company, partnership or individual hereby applies for a Certificate of Trade Name and for that purpose submits the following statement:

First: Name of individual or entity using the trade name:
Focus Partners Wealth, LLC

Seventh: Name of person executing this form:

Focus Operating, LLC

J. Russell McGranahan

If you sign this application, you agree that you understand that anyone who makes a false statement anywhere on it can be punished by criminal penalties of a fine up to $1000, imprisonment up to 180 days, or both, under DCOC § 22-2405.

Amount Paid: $105.00
Date: 5/2/2025 2:46 PM
E-Signed

McGranahan served at Focus Financial Partners Inc. as general counsel for nine years, from August 2015 to October 2024, and he helped take the company public with an IPO in 2018 and oversaw the company's 2023 "going-private" transaction.[187] As the firm's general counsel, McGranahan was the key individual interacting with the SEC during that process.

Regardless of the validity of the D.C. Corporations Division's Focus Financial records, which would raise serious questions of McGranahan's potential ongoing ties to the

[187] Letter to J. Russell McGranahan, General Counsel, Focus Financial Partners Inc. Re: Focus Financial Partners Inc. from Division of Corporation Finance Office of Mergers & Acquisitions, SECURITIES AND EXCHANGE COMMISSION (SEC) (May 19, 2023), https://www.sec.gov/Archives/edgar/data/1651052/000000000023005381/filename1.pdf

company, there are still many potential conflicts of interest given McGranahan's position at Focus Financial whose clients include high-net-worth individuals and families, ultra-high-net-worth clients, business owners and institutions, according to the company's website.[188]

Normally, ethical issues about agency employees, like those raised above regarding the SEC's general counsel, would be referred to the agency's Office of Inspector General. But there's a problem. Although the SEC inspector general, Kevin Muhlendorf, does not appear to have ongoing financial ties to former business interests, he came to the job with an assortment of other questions swirling around him that may hinder his ability to fulfill the duties of his office in a fair, objective and nonpartisan manner. Those questions may hinder his ability to protect the public against issues of waste, fraud, abuse, mismanagement, or corruption at the SEC.

H. Conflicted Inspector

1. Kevin Muhlendorf, Inspector General (IG), SEC

Kevin Muhlendorf was appointed to the position of inspector general at the Securities and Exchange Commission on July 28, 2025.[189] In the SEC's press release announcing his hiring, SEC Chairman Atkins said: "Kevin has the ideal combination of experience in internal investigations, compliance programs, and law enforcement to hit the ground running as our new Inspector General and ensure our agency's operations are transparent, efficient, and effective."[190] Muhlendorf does have those experiences. He worked as a senior counsel at the SEC from 2004 to 2010, and as an assistant chief in the Fraud Section of the Department of Justice (DOJ) from 2010 to 2016.[191]

However, most recently Muhlendorf was a criminal defense attorney at Wiley Rein LLP defending those whom the SEC had accused of violating securities regulations and federal laws. There are cases where criminal defense attorneys have transitioned to the IG community, but it certainly merits a pause to consider how adequately and aggressively someone who once defended alleged criminals and is now in charge of the office tasked with identifying and pursuing individuals who may have violated the law will be in their newfound role as an inspector general. According to his financial disclosure form, the individuals referenced below were represented by Muhlendorf in the two years prior to

[188] FOCUS FINANCIAL PARTNERS, https://corporate.focuspartners.com/
[189] "SEC Names New Inspector General," THE CORPORATE COUNSEL (TCC) (June 24, 2025), https://www.thecorporatecounsel.net/blog/2025/06/sec-names-new-inspector-general.html
[190] "Kevin Muhlendorf Named SEC Inspector General," Press Release, SECURITIES AND EXCHANGE COMMISSION (SEC) (June 23, 2025), https://www.sec.gov/newsroom/press-releases/2025-92-kevin-muhlendorf-named-sec-inspector-general
[191] Kevin Muhlendorf, LinkedIn profile, https://www.linkedin.com/in/kevinmuhlendorf/details/experience/

his appointment as the SEC IG, which does not require presidential appointment or U.S. Senate confirmation.[192]

Muhlendorf represented William D. Wright, the former controller at CEB Inc. (formerly the Corporate Executive Board), who was sued in U.S. District Court in Virginia by the SEC in an alleged insider trading case.[193] On Dec. 11, 2020, the SEC charged Wright and his brother-in-law, Christopher Clark, with insider trading ahead of the 2017 public announcement that Gartner Inc. would acquire CEB for $2.6 billion, alleging that the trading generated $296,000 in illicit profits.[194] Wright settled the case with the SEC in October 2021 without admitting or denying the allegations against him. As part of the settlement, he was fined $240,934 and he was barred from serving as an officer or director of a public company for two years. Separately, on Nov. 12, 2021, the SEC suspended Wright from appearing or practicing before the SEC as an accountant, with permission to seek reinstatement after two years.[195]

Muhlendorf also represented a New Jersey bank called Spencer Savings Bank.[196] The New Jersey Superior Court unanimously found that the bank had "unlawfully adopted a plan to convert into a mutual savings bank to block an investor from gaining board seats," according to the American Bar Association's (ABA's) Banking Journal.[197]

In addition, Muhlendorf represented Dr. Timothy Baxter.[198] Baxter was a former senior medical executive at Reckitt Benckiser Pharmaceuticals and later Indivior.[199] In 2020 he pleaded guilty to a misdemeanor of misbranding, and providing false and misleading information to MassHealth, the Massachusetts Medicaid program, concerning the risks of

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[192] Kevin Muhlendorf, New Entrant Report, Public Financial Disclosure Report (OGE Form 278e), OFFICE OF GOVERNMENT ETHICS (OGE), signed September 24, 2025.
[193] Complaint, U.S. Securities and Exchange Commission (Plaintiff) vs. Christopher Clark and William Wright (Defendants), Case 1:20-cv-01529, SECURITIES AND EXCHANGE COMMISSION (December 11, 2020), https://www.sec.gov/files/litigation/complaints/2020/comp24982.pdf
[194] "Christopher Clark and William Wright: SEC Charges Corporate Controller and His Brother-In-Law with Insider Trading Ahead of Merger Announcement," Litigation Release No. 24982, Securities and Exchange Commission v. Christopher Clark and William Wright, No. 1:20-cv-01529 (E.D. Va. filed December 11, 2020), SECURITIES AND EXCHANGE COMMISSION (December 11, 2020), https://www.sec.gov/enforcement-litigation/litigation-releases/lr-24982?
[195] In the Matter of William Wright, CPA Respondent. Order Instituting Public Administrative Proceedings Pursuant to Rule 102 (e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions, Securities Exchange Act of 1934, Release No. 93568 / November 12, 2021, Accounting and Auditing Enforcement, Release No. 4267 / November 12, 2021, Administrative Proceeding, File No. 3-20652, SECURITIES AND EXCHANGE COMMISSION (SEC) (November 12, 2021), https://www.sec.gov/files/litigation/admin/2021/34-93568.pdf
[196] Kevin Muhlendorf, New Entrant Report, Public Financial Disclosure Report (OGE Form 278e), OFFICE OF GOVERNMENT ETHICS (OGE), signed September 24, 2025.
[197] New Jersey court affirms decision invalidating Spencer Savings Bank conversion plan," American Bankers Association (ABA), BANKING JOURNAL (May 1, 2026), https://bankingjournal.aba.com/2026/05/new-jersey-court-affirms-decision-invalidating-spencer-savings-bank-conversion-plan/
[198] Kevin Muhlendorf, New Entrant Report, Public Financial Disclosure Report (OGE Form 278e), OFFICE OF GOVERNMENT ETHICS (OGE), signed September 24, 2025.
[199] "Opioid Manufacturer Indivior's Former Global Medical Director Pleads Guilty In Connection With Drug Safety Claims," U.S. Department of Health and Human Services, OFFICE OF INSPECTOR GENERAL (OIG) (August 31, 2020), https://oig.hhs.gov/fraud/enforcement/opioid-manufacturer-indiviors-former-global-medical-director-pleads-guilty-in-connection-with-drug-safety-claims/

pediatric exposure to Suboxone Film, a buprenorphine/naloxone product used in opioid-addiction treatment.[200] The case involved multiple agencies, including the Department of Justice and the Department of Health and Human Services' (HHS) Office of Inspector General (OIG). When Baxter pleaded guilty in 2020, he was sentenced to one year of probation, six months of home detention, a $100,000 fine and 100 hours of community service.[201] In 2021, the HHS OIG used its authority and excluded Baxter from participation in Medicare, Medicaid, and all other federal health care programs for a period of five years.[202]

Starting in 2022, Muhlendorf also served as a criminal defense attorney representing Courtney Kelln of British Columbia, charged in a $1 billion stock fraud case by the Securities and Exchange Commission.[203] In February 2026, a federal appeals court judge explained the case this way: "The prospect of buying low on a stock just before it shoots the moon has enamored investors for centuries. But, as commonsense suggests and history has proven, not every start-up becomes a blue chip and not every investment reaps retirement-worthy profits. So, rather than taking a risk in search of the next big bonanza, some underhanded financiers elect to rig the system in their favor and, to the unfortunate detriment of unsuspecting investors, profit off pure speculation that they deceitfully conjure up. ….. Courtney Kelln [and others] participated in a scheme to do just that before they ran headfirst into federal securities laws," wrote Judge Thompson.[204]

The potential conflicts that may confront Muhlendorf in his current position as SEC inspector general, as a result of his previous work, seem clear, even though the SEC case

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[200] "Opioid Manufacturer Indivior's Former Global Medical Director Pleads Guilty In Connection With Drug Safety Claims," U.S. Attorney's Office, Western District of Virginia, DEPARTMENT OF JUSTICE (August 31, 2020), https://www.justice.gov/usao-wdva/pr/opioid-manufacturer-indivior-s-former-global-medical-director-pleads-guilty-connection

[201] "Former Medical Director of Suboxone Manufacturer Indivior Sentenced in Connection with Drug Safety Claims," U.S. Attorney's Office, Western District of Virginia, DEPARTMENT OF JUSTICE (DOJ) (December 17, 2020), https://www.justice.gov/usao-wdva/pr/former-medical-director-suboxone-manufacturer-indivior-sentenced-connection-drug-safety

[202] Dr. Timothy Baxter, DAB No. 3074 (2022), "Final Decision on Review of Administrative Law Judge Decision," Docket No. A-22-63, Decision No. 3074, Department of Health and Human Services, DEPARTMENTAL APPEALS BOARD, Appellate Division (September 30, 2022), https://www.hhs.gov/about/agencies/dab/decisions/board-decisions/2022/board-dab-3074/index.html

[203] See: Graeme Wood, "British Columbians charged in $1b stock fraud case could see trial next January," BUSINESS IN VANCOUVER (January 21, 2022), https://www.biv.com/news/economy-law-politics/british-columbians-charged-1b-stock-fraud-case-could-see-trial-next-january-8266641 and "Four Individuals Charged with Long-Running Global Pump-and-Dump Scheme," U.S. Attorney's Office, District of Massachusetts, U.S. DEPARTMENT OF JUSTICE (DOJ) (August 9, 2021), https://www.justice.gov/usao-ma/pr/four-individuals-charged-long-running-global-pump-and-dump-scheme

[204] Securities and Exchange Commission (Plaintiff, Appellee) v. Zhiying Yvonne Gasarch; Mike K. Veldhuis; Paul Sexton; Courtney Kelln; Jackson T. Friesen (Defendants), Appeals from the U.S. District Court for the District of Massachusetts before Circuit Court Judges Gelpi, Thompson, and Montecalvo, Case: 24-1773, UNITED STATES COURT OF APPEALS FOR THE FIRST CIRCUIT (February 19, 2026), https://www.govinfo.gov/content/pkg/USCOURTS-ca1-24-01773/pdf/USCOURTS-ca1-24-01773-0.pdf

against Muhlendorf's former client Kelln did not involve the SEC OIG. The SEC, however, is still pursuing the case against Muhlendorf's former client, Courtney Kelln.

On June 10, 2026, the SEC filed a civil claim in British Columbia Supreme Court against six British Columbia residents who were engaged in the $1 billion 'pump-and-dump' scheme between 2011 and 2019, including Courtney Kelln. The SEC is seeking more than $50 million from these individuals for the illicit profits they made from American investors, including $1.6 million from Kelln.[205] Kelln and two others in the case previously admitted liability to the civil charges brought by the SEC, but they still face criminal charges.[206]

Aside from the fact that Muhlendorf has very recently represented criminal defendants still being pursued by the SEC, inspectors general are supposed to be above reproach. However, questions about conflicts of interest have flared up in Muhlendorf's past positions. In 2016, Muhlendorf left the Department of Justice and joined the law firm of Wiley Rein LLP as a partner. He remained there until he became the SEC IG in July 2025. However, in November 2023, Muhlendorf became the acting inspector general at the Washington Metropolitan Area Transit Authority (WMATA), which manages and operates the Washington, D.C., Metro.[207]

In a highly unusual move, Muhlendorf did not leave Wiley Rein for the IG position. Instead, he was under full-time "secondment" to WMATA from Wiley Rein, meaning he was essentially on loan to the D.C. Metro until it could identify a permanent IG.[208] At the time, this arrangement raised conflict of interest concerns and questions about Muhlendorf's willingness or ability to provide proper oversight since it was revealed by local ABC Channel 7 News that the Wiley Rein law firm had been awarded a $2 million contract for consulting services by WMATA in 2017, and it was — and remains — unclear if the contract was still in effect when Muhlendorf was appointed the acting IG.[209]

That sort of arrangement would cause serious conflicts of interest since the company Muhlendorf was still working for was a WMATA contractor and part of the OIG's mission

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[205] Graeme Wood, "U.S. SEC seeks authority to collect more than US$50M from B.C. fraudsters," BUSINESS IN VANCOUVER (June 19, 2026), https://www.biv.com/news/economy-law-politics/us-sec-seeks-authority-to-collect-more-than-us50m-from-bc-fraudsters-12448291

[206] "Mike K. Veldhuis, Paul Sexton, Jackson T. Friesen, Zhiying Yvonne Gasarch, and Courtney Kelln," Litigation Release No. 26037, SECURITIES AND EXCHANGE COMMISSION (SEC) (June 26, 2024), https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26037

[207] Kevin Muhlendorf, LinkedIn profile, https://www.linkedin.com/in/kevinmuhlendorf/details/experience/

[208] Tom Roussey, "Questions raised about Metro's temporary inspector general," CHANNEL 7 ABC NEWS (November 17, 2023 – updated December 14, 2023), https://wjla.com/news/local/questions-raised-about-metro-temporary-acting-inspector-general-kevin-muhlendorf-wiley-law-firm-dmv-dc-maryland-virginia-accountability-spending-board-of-directors

[209] Tom Roussey, "Questions raised about Metro's temporary inspector general," CHANNEL 7 ABC NEWS (November 17, 2023 – updated December 14, 2023), https://wjla.com/news/local/questions-raised-about-metro-temporary-acting-inspector-general-kevin-muhlendorf-wiley-law-firm-dmv-dc-maryland-virginia-accountability-spending-board-of-directors

is to investigate potential allegations of waste, fraud and abuse involving contracts.[210] Congress raised issues about this arrangement at the time. On May 31, 2024, Rep. James Comer, R-KY., the chairman of the Committee on Oversight and Accountability of the U.S. House of Representatives wrote a letter to WMATA's chairman of the board demanding records and raising issues about these potential conflicts, as well as the termination of Muhlendorf from the acting IG position.[211] Muhlendorf had only lasted in that position for eight months. The following year the SEC announced his appointment as SEC inspector general.

Besides representing the types of individuals whom inspectors general normally investigate, Muhlendorf's background shows that he is more tied to advocacy and partisan political issues rather than investigations and unbiased oversight. In 2019, for instance, he was a registered lobbyist[212] for a Kuwaiti private equity firm, "KGL Investment Company KSCC,"[213] and he provided legal services to the Republican Governors Association in Washington, D.C., according to his financial disclosure filings.[214]

Perhaps even more concerning is the fact that Muhlendorf acknowledged in his financial disclosure form that he had 12 past individual clients and 10 former corporate clients that he provided legal services to that he would not name citing confidentiality requirements pursuant to D.C. Bar Rule 1.6. While there may be legitimate confidentiality issues regarding his past clients, his refusal to disclose them as a federal inspector general leaves a serious gap in the transparency normally expected of an IG. This sort of obfuscation of past clients leads to inevitable questions about potential future conflicts of interest in his role as IG at the SEC.

Public Citizen has previously written about the politicization of the inspector general community under President Donald Trump.[215] Given the other potential conflicts of senior SEC staff highlighted above, it is particularly disconcerting to have an inspector general at the SEC whose efforts to investigate potential wrongdoing at the agency may be dampened by his own personal experience defending those who violate SEC securities

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[210] "Mission Statement," Washington Metropolitan Area Transit Authority (WMATA), OFFICE OF INSPECTOR GENERAL, https://wmataoig.gov/our-mission/

[211] Letter to Mr. Paul C. Smedberg, Chairman of the Board, Washington Metropolitan Area Transit Authority (WMATA) from Rep. James Comer, Chairman, Committee on Oversight and Accountability, U.S. HOUSE OF REPRESENATIVES (May 31, 2024), https://oversight.house.gov/wp-content/uploads/2024/05/WMATA-OIG-Letter-HCOA-053124.pdf

[212] Lobbying Registration, Wiley Rein LLP, Client: KGL Investment Company KSCC, Clerk of the House of Representatives, LEGISLATIVE RESOURCE CENTER (November 18, 2019), https://lda.gov/filings/public/filing/a9d763ba-ea77-4ca6-8858-0432e5fde36d/print/

[213] "KGL Investment Company K.S.C.C. (KGL Investment Company)," SOVEREIGN WEALTH FUND INSTITITUE (SWFI), https://www.swfinstitute.org/profile/5d05b1c0832f9c527081132e

[214] Kevin Muhlendorf, New Entrant Report, Public Financial Disclosure Report (OGE Form 278e), OFFICE OF GOVERNMENT ETHICS (OGE), signed September 24, 2025.

[215] Douglas S. Pasternak, "Undoing Accountability: An Update on Trump's Attacks on Inspectors General," PUBLIC CITIZEN (March 11, 2026), https://www.citizen.org/article/undoing-accountability/

laws as well as harboring his own potential conflicts of interest that have been shrouded from public view.

CONCLUSION

There have often been ethical issues that have emerged for SEC officials regarding conflicts of interest involving previous employers or clients. But the ethics morass at the Trump SEC is different, and worse, than anything that's come before. The administration has removed many of the ethical guardrails that have been implemented over the years to reduce conflicts across government. At the SEC itself, Chair Paul Atkins has hired multiple senior officials, as highlighted above, who consulted, defended and advocated for companies with policy and enforcement issues before the SEC, creating unavoidable conflicts of interest.

The SEC is supposed to defend the interests of investors and ensure the integrity of the markets. Under the Trump SEC, however, there is every reason to believe this mission has been fundamentally compromised by advancing the interests of connected individuals and corporations.

From the day then-President-elect Trump announced he would name Paul Atkins to serve as chair of the SEC, Atkins' track record as a Wall Street "expert for hire," and founder of a financial industry consultancy that promotes cryptocurrency made it clear that his agenda was aligned with Wall Street and not with everyday American investors. As this report shows, Atkins' tenure at the SEC has had multiple issues that raise concerns involving his former clients. Atkins seems to have avoided addressing these ethical concerns altogether. The Atkins SEC is riddled with apparent and potential conflicts, has dropped or favorably settled enforcement cases against former clients of Atkins, and has rewritten rules that transform the SEC from a feared Wall Street watchdog into a toothless, feckless lapdog. This is a shadow of what President Franklin D. Roosevelt surely intended when he signed the Securities Exchange Act of 1934 into law to create an agency with extensive power to regulate the securities industry and bring civil charges against individuals and companies who violated the law. Instead, the Atkins SEC is pierced with sketchy ethical issues and is failing to protect the retirements, savings and investments of everyday people. Corporate wrongdoers, market manipulators, and shady fraudsters are getting rich, but the American people will pay the price.